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NEWS SUMMARY

GENERAL

Atlantic flights demo at embassy

Growing anger over delays on cheap transatlantic flights led to a demonstration outside the U.S. Embassy in London, where stranded travellers handed in a protest letter.

The 40 protesters want the major airlines to change their policies and provide more scheduled services. Many of the passengers said they had waited almost a week for flights from Heathrow and Gatwick.

The demonstration was organised by 600 people who have been waiting in a car park near the Pan Am terminal at Victoria. Page 3

Vance pledge on Middle East

Cyrus Vance, U.S. Secretary of State, said before leaving Washington for the Middle East that peace talks had reached a critical stage and the U.S. was willing to put forward fresh proposals to get them moving again. Page 2

Trawler arrest

Bill Smith, the lone sailor whose trip from Scotland became a trail of mishaps, had an arrest order put on his trawler at Great Yarmouth. A writ for damage has been issued by the owner of a pleasure boat in the harbour.

'Vet diplomats'

President Giscard of France ordered careful vetting of diplomatic lists and a review of diplomatic immunity in the wake of the spate of killings in Paris. Two Arabs who killed two officials of the Palestine Liberation Organisation have told French police they were acting on the orders of Palestinian extremist leader Abu Nidal. Page 2

RAF jet crash

Thick fog was hampering the search for the two-man crew of an RAF Phantom which crashed into the North Sea 60 miles off Aberdeen. A helicopter reported finding wreckage and an empty dinghy.

Swap rejected

Former Soviet diplomat Arkadi Shevchenko, now living in the U.S. has "ridiculed" reports that he should be exchanged for the jailed dissident Anatoly Shcharansky. A Soviet plan to swap the dissident for three spies held in the West has already been rejected.

Submarine blast

A sailor died and five others were injured when an explosion rocked the French submarine Marsouin during a test run off Lorient. The cause of the blast was not immediately known.

Beirut deaths

Two people died and 16 were injured when shells hit the Moslem sector of Beirut. The worsening crisis is now becoming a war of attrition. Page 2

Redundant jail

The only prison in Liechtenstein (population 25,000) has run out of customers. The last man was released three days ago so the jail is empty for the first time in five years.

Briefly . . .

Police who chained and handcuffed striking medical staff have been strongly rebuked by India's Prime Minister.

Yacht was dismasted in collision with an oil tanker off Cowes, Isle of Wight.

Statue of Cecil Rhodes, Rhodesia's founder, has been defaced in Salisbury.

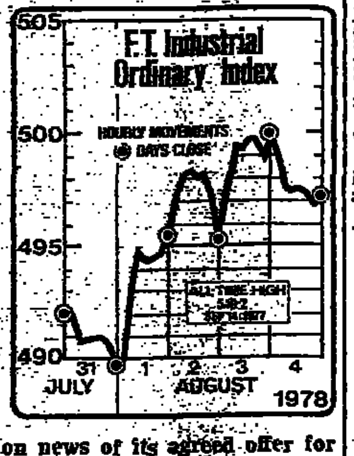
West German woman was given seven years' jail for spying by an East German military court.

Malcolm Fraser, Australian Prime Minister, was discharged without penalty after conviction for fishing in a Darwin wildlife sanctuary.

BUSINESS

Equities down 2.7; Gold pulls back

● EQUITIES hovered around the 500 mark, but the fall in the price of Allied Breweries on news of its agreed offer for J. Lyons brought the FT industrial index 2.7 down to 497.2.



● GILTS made improvement in shorts, while mediums and longs closed at overnight levels. The Government Securities index was 0.01 down at 70.96.

● STERLING traded quietly losing 63 points to $1.9235. Its trade-weighted index was unchanged, and the dollar's depreciation narrowed to 9.0 per cent (9.1).

● GOLD fell $1¼ to $201⅞ in London, and in New York, the Comex August settlement price was $3.90 up at $203.90.

● WALL STREET closed 1.56 up at 888.13, a new high for the year. In Hong Kong, the Hang Seng index, at 609.75 was its highest for five years, and in Canada, the Toronto composite index closed 4.0 up at 1218.9, its highest close this year.

● EUROPEAN Investment Bank is raising $100m for 12 years by the first dollar-denominated bond issue on the Japanese market.

● NATIONALISED INDUSTRY chairmen have protested to the Chancellor over the lack of adequate guidelines on accountancy procedure in the public sector. Back Page

LABOUR

● POST OFFICE engineers say they will not be "stampeded" by the Post Office into accepting a settlement of a 37½ hour working week recommended by mediators. Back Page

● BL CARS manual workers could earn up to £15 a week extra under a new incentive scheme outlined by company negotiators. Page 3

● CIVIL SERVICE unions have been asked by their pay negotiators to examine areas where industrial action could have greatest effect if the Government attempts to impose a 5 per cent limit on their pay rise instead of a figure comparable with private industry. Page 3

● ROSS FOODS, a subsidiary of Imperial Group, is to close its main fish processing factory in Hull, at a cost of 320 jobs. Hull's unemployment is already nearly double the national average. Back Page

● OIL TANKER driver shop stewards are to put in a wage claim of 20 per cent on basic rates and 50 per cent on overtime rates. Page 3

COMPANIES

● PHOENIX TIMBER'S second half loss left pre-tax profits for the year to March 31 down at £111,000 against £2.35m. on sales of £33.83m (£37.33m). Page 14

● SEAT, Spain's biggest car producer and Fiat of Italy, which already has a 36 per cent stake in the Spanish company, are holding discussions aimed at closer links between the two companies. Back Page

● FREEHOLD of Windmill Theatre in Soho, London, has been sold to theatre impressario Mr. Paul Raymond. Page 14

CHIEF PRICE CHANGES YESTERDAY

RISES			FALLS		
Aaronson Bros.	81	+ 6	Adams & Gibbon	77	− 7
Bassett (G.)	139	+ 7	Allied Breweries	84½	− 8
Belhaven Brewery	55	+ 3	Audiotronic	15	− 2
Burton A	148	+ 4	Brown & Jackson	185	−11
Gough Cooper	83	+ 4	Fisons	365	−10
Grant Bros.	107	+ 9	Hawker Siddeley	230	− 8
Heron Motor	147	+12	Hoover A	273	−13
Heywood Williams	137	+10	IC Gas.	368	−12
HK & Shanghai	350	+ 8	Phoenix Timber	163	− 7
Lyons (J.)	137	+ 40	Pilkington	577	−13
M.L. Holdings	160	+ 5	Scottish Metropolitan	110	− 4
Man. Agency & Music	92	+ 3	Sterling Credit	32	− 4
Racal Electronics	279	+ 7	Thomson Org.	267	− 8
Simpson (S.) A	108	+ 6	BP	834	− 8
Technology Inv.	108	+ 5	Shell Transport	553	−12
U.D.S.	102	+ 5	Free State Geduld	£18¼	− ⅜
United Scientific	335	+17	Pres. Steyn	884	−33
Victor Products	173	+ 7			
Yorkshire Chems.	98	+ 4			
Conzinc Riotinto	266	+12			
North West Mining	44	+ 7			
Palabora	480	+20			
Pancontinental	£15¼	+ ¼			

Thorpe charge poses threat to Liberals

BY RUPERT CORNWELL

YESTERDAY'S dramatic culmination of a ten-month police inquiry into allegations of a plot to kill Mr. Norman Scott is bound to have a considerable impact not only on the Liberals but also on the two other parties as they prepre for the General Election, which looks all but certain this autumn.

Mr. Jeremy Thorpe, past Liberal leader, before appearing in Somerset magistrates' court, Minehead, informed Mr. David Steel, the Liberal leader, and Mr. Alan Beith, the Liberal Chief Whip at Westminster, that charges were to be levelled.

The threat to the Liberals is *potentially the most serious. MPs* and party officials were desperately hoping last night that after the immediate spate of headlines, public interest might subside and not too much harm done among voters at large.

But they are openly fearful of the damage that might be inflicted on the morale of vital party workers, many of whom know and have served Mr. Thorpe in the past.

The fact that charges have been brought does not technically affect his status as MP, and it is understood that he will be fulfilling local engagements in his North Devon constituency this weekend.

However, last night several of *his Parliamentary colleagues* left little doubt of their view that in the interests of the party, as it struggles to recapture lost ground before the election, it would be best if Mr. Thorpe announced his intention of not contesting the seat.

Tonight he is due to meet his local Liberal executive, which has hitherto remained fiercely loyal, to discuss his future. He is then likely to be in touch with Mr. Beith, who is in contact with Mr. Steel, before making any statement.

But the general expectation last night was that he would choose to step down; and a decision to do otherwise would cause much dismay in Liberal ranks.

Perhaps the most awkward side effect for the Liberals is that their former leader's second court appearance on September 12, however brief, will coincide with the annual party conference at Southport.

Mr. Steel will be planning to use the conference as a launching pad for an October poll—and that week could even see the announcement of the dissolution of Parliament should Mr. Callaghan choose to go to the country on October 5, a widely tipped date.

For the Prime Minister, the resurgence of the Scott affair could hardly have come at a worse time. For the general rule is that the better the Liberal performance, the better are Labour's chances in an election.

Conversely, anything which harms the *Liberal's* standing can be expected to work to the advantage of the Conservatives—whose prospects largely depend

Continued on Back Page

Mr. Thorpe arriving at the court yesterday

The court charge

MR. JEREMY THORPE, the 49-year-old former leader of the Liberal Party, was one of four men arrested yesterday and charged with conspiracy to murder Mr. Norman Scott.

With him in the dock during a 21-minute hearing at West Somerset magistrates court, Minehead, were Mr. David Holmes, a former joint deputy treasurer of the party, Mr. John Le Mesurier, a South Wales businessman, and Mr. George Deakin, another businessman.

The formal charge against them is that between October 1, 1968, and November 1, 1977, the four conspired together and with others to murder Mr. Scott, a former male model. They were each remanded on bail of £5,000 until September 12.

Chrysler dispute ends but unrest threatens

BY RAY PERMAN, SCOTTISH CORRESPONDENT

CHRYSLER'S Linwood plant will be back in production on Monday but could face further industrial unrest in the near future over management attempts to end restrictive practices.

The 550 paint-shop workers decided yesterday with only 30 votes against, to accept a compromise agreement over the rest periods to be taken during exceptionally hot conditions.

They called off the strike which halted production for 12 days before the start of the annual holiday three weeks ago and lead to the loss of the production of 6,300 cars.

Immediately after the vote, the company began to make arrangements to move 3,000 Sunbeam and Avenger cars, which have been blacked by transport drivers in a sympathy action and were trapped in the factory during the dispute.

As many as possible will be delivered to dealers today and tomorrow to try to get them onto the market to meet the early demand for T registration vehicles.

But, although the paint-shop issue appears to have been settled—on the basis of a formula agreed at talks in London on Tuesday—the company could face further problems in trying to re-negotiate other agreements in the plant in order to improve productivity, which has been averaging only 75 per cent of targets.

Mr. James Livingstone, Transport Workers' Union convener, said he had asked for a meeting of shop stewards from all unions in the plant for Monday morning to discuss a common response to any future management moves.

"The management have made it clear to our national officials and to the Government that there are a number of negotiated procedures inside this plant that it wants re-negotiated

"If the company can justify why these agreements should be taken away, then I am sure the unions will look upon them realistically. But, if they approach them in the same way they approached the paint-shop dispute, then they will be resisted."

Mr. Livingstone agreed that the management had followed the agreed procedure before trying to introduce the new hot conditions arrangements, but he said there were further *ad hoc* meetings with national union officials which could have been used. Chrysler said it had exhausted all procedural agreements.

Under the new agreement, the Chrysler management has conceded that more men in the paint shop should be entitled to automatic breaks in summer months when temperatures rise above a certain level, but has won from the unions co-operation on the choice of areas where the heat will be measured.

Mr. Livingstone claimed that productivity savings from the new agreement would be minimal, but the management disputed this. The company's original proposals would have resulted in an extra 100 cars a week being manufactured, it said, and the new agreement could lead to significant productivity improvements.

IMF seat for Saudis

By David Buchan

WASHINGTON, August 4.

THE LAST obstacle to a seat for Saudi Arabia, the International Monetary Fund's second biggest creditor, on the IMF board has been removed with U.S. approval for its expansion to 21 members.

The formal creation of an extra seat for Saudi Arabia will take place at next month's fund annual meeting here. An 85 per cent majority of votes is needed to make the change. The U.S., with a potential blocking vote of 20 per cent, has made it clear *to the fund that it will not cast* its vote against Saudi entry.

Saudi Arabia will then have its own executive director, for a period of two years, along with the five permanent board members that have the largest quotas. The U.S., the UK, France, West Germany and Japan. The other 15 directors represent geographical groupings of member countries.

It had been decided a year ago that Saudi Arabia should get its own seat, under a fund rule that gives individual representation to the two largest creditor countries over the previous two years.

R. J. Reynolds bids $456m for Del Monte canners

BY DAVID LASCELLES

NEW YORK, August 4.

IN ONE of this year's biggest takeover bids in the U.S., R. J. Reynolds, the diversified tobacco concern, has offered $456m to buy Del Monte, the country's largest fruit and vegetable canner.

The bid comes at a time when the $100bn U.S. food industry is undergoing a shake-up with giants like Beatrice Foods and H. J. Heinz involved in major takeovers.

Reynolds' initiative takes the form of an offer of $38 per Del Monte share for up to 45 per cent of the company's outstanding stock. The remainder would be exchanged for Reynolds shares. With Del Monte's shares recently trading at $26-28, Reynolds is offering a premium of about 40 per cent over the going rate.

Reynolds refused to comment on its bid today. The Del Monte management was understood to be considering a response at the company's headquarters in San Francisco.

But the general market reaction was one of surprise at the suddenness and size of the bid.

Reynolds, which is based in Winston-Salem, North Carolina, the headquarters of the U.S. cigarette industry, covers about one-third of the U.S. tobacco market, with such brands as Winston, Camel and Vantage. However, it has been engaged in a process of diversification into transport, oil, food and drink, aluminium products and packaging, which between them now account for about a third of company earnings.

The company had made no secret of its intention to expand further into the food industry.

Reynolds' earnings in 1977 were $423.5m on revenues of $6.4bn, and its net profits have risen by an average $50m a year since 1973.

About 7 per cent of profits are earned from tobacco operations outside the U.S.

Del Monte's 1977 earnings were $51m on revenues of $1.48bn, but the company appears to have reached a plateau with no major change in its financial picture for the last three years.

As well as being a major fruit and vegetable canner with an internationally known name, Del Monte prepares snack foods and distributes fresh fruit, seafood, tomatoes and other foods. Its foreign business accounted for 27 per cent of sales last year.

Lyons agrees to £61m Allied offer

BY CHRISTINE MOIR

AFTER A WHIRLWIND seven-day courtship, Allied Breweries has won agreement from the ailing food giant, J. Lyons and Company, for a £61m all-share bid.

The surprise move, which came only two days after Allied's equally lightning sale of its £48m worth of shares in Trust Houses Forte, sent Allied's price down 8½p to 84½p and Lyons' up 40p to 137p after a brief peak at 145p.

The bid is entirely for shares—11 of Allied's for every six of Lyons—and values Lyons at £64m *(155p a share). Mr. Neil Salmon,* chairman of Lyons, who is recommending the terms, said that "a cash alternative would have improved the offer very much, but the other side would not agree." Allied already owns 4.9 per cent of the shares.

Institutional investors yesterday also thought that a cash option would have been more acceptable, but in the main they reserved their attitude until the two companies explain in detail the industrial logic behind the merger.

The general opinion was that Allied had "bitten off a lot" in taking on Lyons which, in spite of its clutch of household brand-names in food—Tetley tea, Lyons Maid icecream and cakes—and its £800m of sales, made profits of only £6.2m last year.

The £220m of debt which Lyons still carries in spite of selling in recent years its Wimpy bars, hotels, corner shops and tea plantations, was also a matter for concern in the City yesterday.

Mr. Salmon admitted that this was one of the factors behind his Board's agreement to the bid.

"Although we were confident about our recovery, the rate of improvement could have been held up by financial restraints," he said. "The financial assets which Allied will bring will enhance that recovery."

Mr. Derrick Holden-Brown, deputy chairman of Allied, said: "Clearly they have a lot of debt in their balance-sheet. They have some repayments ahead of them. Having Allied behind them will make things easier, and they can plan to expand. They will not be in a straight jacket."

So far as management is concerned, Lyons "will be the food division of Allied," Mr. Salmon said, "but we will be left to manage our business. They have not got people familiar with the food business."

Both sides saw the merger as beneficial. Allied claims that a move into food would be a logical development of their drinks empire, which takes in brand names such as Skol, Double Diamond, Teachers whisky, Harveys sherries and Britvic soft drinks.

A merger would "provide opportunities for collaboration, particularly overseas," both companies claimed in their joint statement.

Mr. Neil Salmon recommends the terms.

Mr. Salmon explained that Lyons was relatively bigger than Allied overseas, and Allied had said that it was interested in the opportunities this created for Allied's products, particularly in the Netherlands and the U.S. where Lyons owns the major Baskin-Robbins Ice Cream group.

Equally Allied's "fantastic export business" could help Lyons with access to further overseas markets.

The two companies' detailed arguments for the merger will, however, await the offer document. This should be sent to shareholders by the end of the month, according to Allied's advisers, Samuel Montagu.

Lyons is being advised by N. M. Rothschild and Morgan Grenfell. Their opinion that the offer is fair and reasonable was supported yesterday by Mr. David Hopkinson from M & G Investment Management, which holds some 14 per cent of Lyons's shares.

"Who is going to shed tears from the Lyons point of view?" he asked, "except those small investors who sold out only last month when Lyons announced that it would have to pass its final dividend."

"We saw Lyons potential over a three-to-four year period. Obviously Allied has, too."

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Problems for merger, Page 13

£ in New York

—	Aug. 4	Previous
Spot	$1.9215-9225	$1.9275-9285
1 month	0.56-0.50 dis	0.45-0.34 dis
3 months	1.25-1.19 dis	1.06-1.02 dis
12 months	4.20-4.05 dis	3.95-3.75 dis

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FEATURES

For latest Share Index 'phone 01-246 8026

Vance mission to restore damaged Mideast contacts

BY DAVID BUCHAN WASHINGTON, August 4.

SECRETARY of State Cyrus Vance leaves for the Middle East tonight to assess for himself the damage done to the eight-month old peace initiative by President Sadat's refusal to talk to the Begin government until it commits itself firmly to territorial withdrawals.

Mr. Vance told a congressional sub-committee that "if necessary, we will be prepared to put forward suggestions to bridge the gap and get negotiations back on the track." But such suggestions will not include the idea of a Washington summit between Presidents Carter, Sadat and Prime Minister Begin, as has been reported here. Given the personal animosity now between the Egyptian and Israeli leaders, a summit was "the worst thing that could happen." one top administration official said to-day.

Yet resumption of direct talks at a lower level is the main goal of the Vance mission, whose context has been radically changed by Mr. Sadat's latest move. Announced after last month's mid-east talks in England, the Vance trip had been designed to coincide with a meeting between Egyptian and Israeli foreign and defence ministers in the Sinai.

"We will not be looking exclusively at one side to make the first concession," one official accompanying the Secretary of State said. Mr. Vance will make it clear in Jerusalem, the first stop in his five days trip, that Foreign Minister Moshe Dayan's recent statement to the Knesset that the issue of sovereignty over the West Bank could be discussed after a five-year period is a great improvement over Mr. Begin's earlier hard-line position, but more concessions in this direction are absolutely vital.

The Administration is aware of the extreme sensitivity of President Sadat, who now feels that his position inside Egypt and in the Arab world threatened by continuing talks with Israel with no concrete result. While Mr. Vance will try to get the Egyptian President to modify his demand for an immediate Israeli commitment to eventual withdrawal from the West Bank and the Gaza Strip, the Administration is also uncomfortably aware that moderate Arab opinion is lining up behind President Sadat on this issue.

Saudi Arabia, which Mr. Vance will not visit this time, has been urging Mr. Sadat not to undermine his position any longer by continuing stalement talks with Israel. This has caused some disquiet in Congress, which feels that its approval recently to sell F-15 aircraft to the Saudis should encourage Riyadh to play a moderating role. But the Administration concedes reluctantly that the advice the Saudis have been giving President Sadat may be no more than realistic.

Christians resist Lebanon troops

BY OUR FOREIGN STAFF

CHRISTIAN MILITIAS in South Lebanon have vowed never to allow into the area Government regulars sent to restore sovereignty, according to Israeli officials at the border town of Metullah.

The commander of the militias, Major Saad Haddad, has ordered his men to stop shooting at the regular forces, although he had earlier said his men would fight to prevent the 700-strong force from moving through Christian villages to take up positions near the Israeli frontier.

Meanwhile in Beirut, four shells struck a west Beirut district yesterday and at least one person was wounded, eye-witnesses reported. The Right-wing Falangist radio said that Syrian artillery shelled two districts of east Beirut and several people were killed or wounded.

The radio had earlier said the flare-up of violence in battered east Beirut indicated that lengthy talks yesterday between the Lebanese President, Mr. Elias Sarkis and the Syrian Foreign Minister, Mr. Abdel-Halim Khaddam had failed.

Major Haddad also had inconclusive talks yesterday on a compromise with Israeli and United Nations officials. They met at an Israeli military base. Major Haddad later asked his followers if they would agree to let the Lebanese regular force through their enclave.

"No, we shall never let them through," the militiamen, carrying assault rifles, shouted in reply, Reuter reported from Metullah.

South Lebanese Christians fear the Government regulars could be backed by Syria which would jeopardise their security.

France tightens up on diplomats

BY ROBERT MAUTHNER PARIS, August 4.

FOLLOWING THE assassination yesterday of the Palestine Liberation Organisation representative in Paris, Mr. Ezzedine Kalak, and his deputy, President Valery Giscard d'Estaing today gave instructions that diplomatic lists should be carefully vetted in the future.

The French President also ordered his Foreign Minister, M. Louis de Guiringaud, to review the whole problem of diplomatic immunity and privilege in the light of the shoot-out at the Iraqi Embassy earlier this week during which a French police inspector was killed.

Three Iraqi diplomats have been expelled by France after the French authorities had established that they had diplomatic immunity and that no legal action could therefore be taken against them in this country.

It is understood that the French Government will, in future, require all diplomats who bring arms into the country to register them with the authorities.

Steps will also be taken to check on the credentials of embassy staff so that only "genuine" diplomatic envoys will be able to benefit from diplomatic immunity.

Meanwhile, the two Arab terrorists who were arrested after yesterday's assassination of Mr. Kalak have told police that they were members of the Palestinian Rejection Front and took their orders from Mr. Abu Nidal, the extremist Palestinian leader based in Baghdad.

Mr. Abu Nidal was sentenced to death in his absence by the PLO in 1974 for disobeying orders. Five weeks ago, the PLO asked Iraq to hand Mr. Abu Nidal over after accusing him of being responsible for the murder of its representatives in London and Kuwait earlier this year.

The two gunmen have been identified by police as Mr. Hatem Abdul Kadir aged 25, and Mr. Kayed Hassad, 21, both Jordanian nationals believed to be of Palestinian origin and who were officially registered as students, in Paris.

The French secretary-general of the Franco-Arab solidarity association, M. Lucien Biitterlin, told French television today that Kadir had had dinner with the murdered PLO deputy, Mr. Adnan Hammad earlier this week.

The Arab ambassadors in Paris last night issued a communque severely condemning what they described as "an odious crime" against the Palestine revolution and the Arab cause in general. The killings violated the sovereignty of the host country, they said.

The new Iraqi ambassador to France, Mr. Nourri Ismael Al-Wayes arrived in Paris today from Baghdad amid unusually tight security precautions. He asked the police to clear the VIP lounge at the airport of all journalists after emphasising that he had nothing to say to the Press.

● Reuter adds from Baghdad: The Iraqi Government has categorically denied any involvement in the killing of the head of the PLO office in Paris. The Iraqi news agency quoted an official spokesman as saying Iraq did not resort to such methods. He said the PLO leader, Mr. Yasir Arafat should be held responsible for recent attacks on Iraqi missions abroad.

General Motors to pull out of Argentina

BY JOHN WYLES NEW YORK, August 4.

GENERAL MOTORS announced today that it is ending 53 years of car manufacturing in Argentina by closing two assembly plants employing 4,000 workers.

A carefully worded statement issued in Buenos Aires stressed that the decision owed nothing to government policies and was taken after a thorough review of the company's economic situation and prospects in Argentina. However, some of the country's 11 auto manufacturers are known to have been unhappy at the Argentine Government's moves to open up the country's auto market to more foreign investment and competition.

General Motors sources indicate that its Argentine subsidiary has been losing money in recent years although the actual losses have not been published. The number one U.S. car manufacturer pointed out today that there are 10 other vehicle producers in the Argentine market which suffers from relatively low volume. GM produced 20,921 passenger cars in Argentina last year compared with a 1970 peak of 32,788.

The two assembly plants to be closed within 60 days are both in the Buenos Aires area. GM says that it is taking steps to maintain a service organisation and to meet all its warranty obligations. Other GM subsidiaries will continue to operate including diesel engine and earth moving equipment manufacturing subsidiaries.

● Ford Motor company announced late yesterday that it would build a $533m engine plant in Ontario, Canada which has become a source of friction between the U.S. and Canadian governments. Mr. Fred Bergsten, Assistant Secretary at the Treasury, was due to have talks in Ottawa today to stress the U.S. annoyance at the government incentives the Canadians have offered Ford.

These are reportedly worth $68m and the Federal Canadian government is putting up the lion's share of $48m. Mr. Bergsten said on Tuesday that he hoped that his talks in Ottawa would "prevent the opening of another front of international subsidy competition."

AP-DJ reports from Buenos Aires: Argentina's Labour Ministry doubled the monthly minimum wage on Thursday to 60,000 pesos ($75) and relaxed wage controls for all employees in private industry.

The increase, effective August 1, was the second boost of the minimum wage this year. It affects relatively few workers as most already earn more than $75 a month. The average monthly wage for an industrial worker is $225.

The military government has used wage controls and a series of fiscal measures to reduce inflation from 566 per cent to about 170 per cent a year since it took power in March 1976. Workers have lost about 50 per cent of their purchasing power since then.

Gold price increase assists S. Africa

By Bernard Simon

JOHANNESBURG, August 4.

THE SURGE in the gold price has removed several constraints on the recovery of the South African economy, according to a report by the country's second-largest bank, Standard Bank.

Although many observers had expected the gradual upswing in the economy since the beginning of the year to peter out during the second half of 1978, the Bank says that gold's contribution to export earnings "is freeing the country from some of the balance of payments constraints which have impeded a continuing recovery."

Each $10 increase in the gold price raises South Africa's export earnings by roughly R200m a year. Thus, it is estimated that an average price of $190 in 1978, will raise gold earnings from R2,800m last year to around R3,700m.

The Bank predicts that the consumer-led recovery will continue for some time. "Even without significant help from Government policies, a broadening number of sectors has joined the move away from a recession climate," the Bank says. It adds that "confidence and great activity are returning to the property sector, mining activity and mineral exports are on the rise again and the direct and indirect effects of this year's good maize crop are being felt."

The Bank says that indications point to a further relaxation of the Government's fiscal and monetary policies, following tax cuts and a raising of the Bank's credit ceilings earlier this year.

Referring to widespread speculation that a cut in the Bank Rate and the banks' overdraft rates is imminent Standard Bank says that "there is now ample banking sector liquidity and strong downward pressure on interest rates which the authorities may not resist for much longer."

Holland checks Brazil's A-plans

BY CHARLES BATCHELOR AMSTERDAM, August 4.

HOLLAND HAS asked its Ambassador in Brasilia to investigate a report that Brazil plans to develop an atom bomb. In June, the Dutch Government secured parliamentary backing for its plan to export enriched uranium to Brazil. It met strong opposition because of fears that the uranium could ultimately be used to produce nuclear weapons.

The Deputy Prime Minister, Mr. Hans Wiegel, announced the inquiry after the weekly cabinet meeting in The Hague. He said however, that the Dutch Government has no indication whatsoever that Brazil has plans to develop nuclear weapons. A Foreign Ministry spokesman said that embassies would normally investigate reports of this kind affecting the country in which they were based.

The original report came from the correspondent of the Socialist VARA radio and television organisation. According to the report the Brazilian Government has ordered studies to be carried out aimed at testing a bomb in the early 1980s. The Brazilian Embassy in The Hague formally denied the claims.

The report has reawakened the controversy in Holland surrounding plans by the Dutch-West German-British Urenco consortium to export uranium only days after a copy of the letter of intent confirming the deal was sent to Parliament by the Economics Minister, Mr. Gijs van Aardenne. A Labour Party MP, Mr. Relus ter Beek has filed a series of written questions asking the Government to require Brazil to give an explicit denial that it will develop nuclear weapons.

The government first attempted to get its proposals through Parliament in January but was sent back to get tighter safeguards from Brazil against the misuse of the plutonium which would be produced from the uranium. Brazil indicated that it was prepared to agree either to a permanent or an ad hoc system of storing the plutonium before deliveries start in 1981.

In a heated three-day debate at the end of June, Mr. Dries van Agt, the Prime Minister, conceded that this did not fully meet the wishes of Parliament but said it was the best the government could do. Parliament finally accepted the Bill.

Italy presses for 5% growth

BY PAUL BETTS ROME, August 4.

ITALY'S MAIN political forces have reached broad agreement on a new three-year economic development plan aimed at giving the country what the Government calls "stable growth."

The target of the economic programme is a progressive increase of the annual rate of growth to 5 per cent by 1980, a reduction of inflation currently running at more than 12 per cent to single digits by the end of 1981, and the creation of some 900,000 new jobs during the plan's three-year period.

However, even several Cabinet Ministers agree that the figure of 900,000 new jobs is extremely optimistic.

To achieve the objectives of the economic programme, the Government intends to cut back on the ever-expanding enlarged public sector deficit by reforming among other things the pensions system and the health service.

At the same time, the Government is seeking to contain increasing labour costs and hopes to reach agreement with the trade unions on a ceiling in the increase of real wages next year. It also proposes to revise the current inflationary effects of automatic wage increase mechanisms.

For its part, the labour movement appears reluctant at least so far to agree to moderate wage claims or accept changes in the cost of living wage index system.

The Government's outline economic proposals were approved late last night by the five political parties, including the Communists and the Socialists, now supporting the minority Christian Democrat Administration of Sig. Giulio Andreotti.

Specific aspects and details of the three-year plan and the 1979 budget are to be discussed immediately after the summer break in September.

The Government is clearly anxious to secure a final detailed agreement with the other political forces on its programme as soon as possible, especially since both the International Monetary Fund and the EEC apparently want to see the plan take concrete shape and gain parliamentary approval before granting new standby facilities to Italy.

Russian sacked by ILO

BY OUR OWN CORRESPONDENT

AT THE insistence of the Swiss Government, the International Labour Organisation (ILO) this week sacked Mr. Gregory Miagkov, a Soviet employee identified as a KGB officer.

Mr. Miagkov, 51, married and with two children, had been with the ILO, a UN specialised agency, since 1968. He has returned to the Soviet Union.

Switzerland has the right to request the UN and its agencies to fire any person suspected of being a security risk.

It was the first time in at least 20 years that any such request was made and Switzerland is understood to be showing its annoyance over Moscow's increasing use of UN jobs as covers for its espionage agents.

In June another Soviet official at the ILO, Mr. Vladimir Bukreyev, suddenly returned to Moscow after it became known that he also worked for the KGB.

Bukreyev, who had not been fired, had a highly influential position as director of ILO publications, giving him control over the content and distribution of all ILO literature, which is aimed in particular at the developing countries.

Following the U.S. withdrawal from the ILO last year on grounds that the agency was being used as an anti-Western instrument, well-placed ILO officials expressed fears that the Soviet Union would attempt to move its people, or those of its allies, into the top jobs.

U.S. truck sales booming

By John Wyles

NEW YORK, August 4.

U.S. AUTO SALES in July recorded their fourth consecutive monthly gain over the same period last year, reflecting the continuing strength of consumer spending.

Overall sales were about 13 per cent higher than last July and the broad picture shows import deliveries continuing to fall and the sale of domestically produced trucks, many for private use, booming. Truck deliveries by all four of the Detroit companies look set for a record year with General Motors reporting a 32.9 per cent increase last month, Ford 17 per cent, Chrysler 44.6 per cent and American Motors 31 per cent.

But the passenger car pattern is somewhat more patchy. With the help of extensive promotional campaigns, GM pushed its July sales up by 8.5 per cent while Ford Managed only 2.7 per cent. Chrysler and American Motors on the other hand, both struggling for profits, suffered an 8.8 and 3.3 per cent decline respectively. Sales by domestic producers as a group rose by 4.2 per cent.

Although the total volume of car sales last month, including imports, was lower than in June which in turn was lower than May, aggregate domestic and foreign deliveries this year are on course for 11.3-11.3 million units and may be a shade higher than 1977 which was the second best year.

Sharp rise in jobless rate

By David Buchan

WASHINGTON, August 4.

AFTER FALLING in June to the lowest level in almost four years, the U.S. unemployment rate last month rose sharply to 6.2 per cent compared to 5.7 per cent a month earlier.

The number of those with jobs went down by 400,000 last month, and this more than reversed the improvement in June compared to May when the unemployment rate was 6.1 per cent. The latest figures are not welcome to the Administration which had been counting on the improving employment trend as the one bright spot in an otherwise gloomy economic picture.

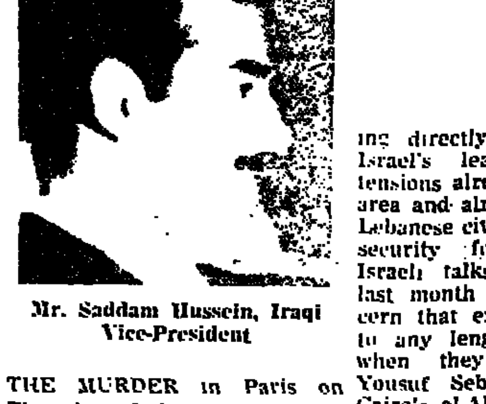
Nevertheless the Administration is probably still nearer the mark in predicting that unemployment will be below 6 per cent by the end of the year than it has been with its other targets for inflation and growth.

● Counter attacking the Tax Cut Bill recently passed by the House Ways and Means Committee, Treasury Secretary Michael Blumenthal today said the administration is lending its full support to the Corman-Fisher amendment, proposed by two liberal democratic congressmen, that would give greater tax relief to all taxpayers earnings less than $50,000 a year and a reduction in the relief on capital gains by $300m overall.

The administration has sharply criticised the Ways and Means version as favouring the wealthy. Mr. Blumenthal, however, reiterated the need for a tax cut stimulus to the economy which he said would only grow by 3.54 per cent in the next year.

Anthony McDermott investigates the background to the latest spate of inter-Arab violence

Middle East feuds come to Europe



Mr. Saddam Hussein, Iraqi Vice-President

THE MURDER in Paris on Thursday of the representative of the Palestine Liberation Organisation (PLO) again shows how much the tensions and rivalries in the Middle East have been transferred abroad. In recent months there has been a spate of shootings, grenade-throwing and assassinations in what can best be termed "off-shore" violence. In many cases, the thread of involvement seems to lead back to Iraq. Officials tend to adopt a tone of injured innocence and argue that the Iraqi Government or other organisations on its soil are more plotted against than plotting.

It would be inaccurate to suggest that this kind of violence outside the Middle East is a new phenomenon. It would be equally untrue to suggest that Iraqis or Palestinians hold a monopoly of assassinations or terrorism. The Algerians after obtaining independence in 1962, for example, continued to sort out their political differences in Europe through assassination. Mossad, Israel's secret service, has been ruthless and efficient (with the exception of the error in Lillehammer in July, 1973, when a group of five murdered an innocent Moroccan in pursuit of their extreme Palestinian opponents.

In broad terms the visit of President Sadat to Jerusalem, where he broke every Arab taboo in going to Israel's capital and being seen to be negotiating directly and openly with Israel's leaders, exacerbated tensions already present in the area and already stimulated by Lebanese civil war. The massive security for the Egyptian-Israeli talks in Leeds Castle last month indicated the concern that extremists would go to any lengths—as they did when they assasinated Mr. Yousuf Sebai, the editor of Cairo's al-Ahram newspaper in Nicosia—to "punish" those who tried to break the deadlock through direct negotiations.

Iraq's peculiar internal and external policies provide interesting clues to what ma ylie behind the recent outbursts of violence. It always has been an extremely difficult country to rule. Even now it remains for example, highly suspicious of Britain, because of its deep involvement in Iraq until King Feisal, the Crown Prince and General Nuri el-Said, the Prime Minister, were killed in a coup in 1958, led by Brigadier Abel-Karim Kassem.

As a result Iraq's rulers have tended to suspect that outside forces have been tampering with its internal affairs. Iraq also feels itself to be the victim of the fact tht its borders are largely a colonial inheritance, not necessarily reflecting ethinc divisions in the country. A major problem has been tht of the Kurdish minority in the north, which spills over into Iran, Turkey and Syria. Regularly the central Government in Baghdad has put down Kurdish rebellions. The most recent was suppressed after a surprise agreement was reached with Iran, which had been supplying the rebels, in March 1975.

The problem the Kurds presented to the Government, which although nominally a coalition since July 1973 is almost completely dominated by the Ba'ath Socialist Party, was fundamental to its style of rule. For a disproportionate amount of independence—and even an elected assembly—was granted to one section of the community—in this case the Kurds; the Ba'athists were concerned that control in other areas might slip away. Thus since the coup of 1968 which brought in President Ahmed Hassan Bakr supported by his strongman, Mr. Saddam Hussein, the Vice-President, Iraq has had a measure of stability unknown for several years.

There have been attempts at coups—the most serious in July 1973 led by Mr. Nazim Kazzar, the security chief—but President Bakr and Mr. Saddam Hussein, are far more professional than their predecessors at staying in power. This has not been without some cost and the country is controlled by an intricate network of intelligence services which have never shied away from using violence or torture when necessary.

But as well as keeping control within the hcountry, Iraq has also pursued opponents of the regime abroad. Thus Lieutenant-General Hardan Takriti, who was dismissed from the vice-presidency in October 1970, was gunned down the following March in Kuwait. Last month, Mr. Abdel-Razzaq Nayef (briefly prime minister in 1968 and sentenced to death in absentia in 1971) was assassinated in London. In February 1972, there had been a previous attempt on his life.

Within the Middle East, Iraq finds itself drawn in opposite directions. On the Arab-Israeli dispute it rejects totally any form of a settlement with Israel. In the wars between the Arabs and Israel it has made military contributions, but is basically too far away to be able to qualify fully as a "frontline" state, even though its policies are more extreme than other "frontliners."

If its policies towards Israel predictably put Iraq at odds with Egypt and Jordan, it reserves special hostility for Syria with which it has a Ba'athist ideological schism dating back to 1966. This is in spite of the fact that both governments hold Ba'athism to be sacred, and both have similar political apparatuses: regional (i.e. Syrian or Iraqi) and national (i.e. pan-Arab) party commands and National Progressive Front coalitions.

The hostility with Syria has increased the more Damascus became involved in the Lebanon and effectively increased its hold over the Palestine Liberation Organisation (PLO). Furthermore the Iraqi government has been in open conflict with Fatah, the PLO's largest organisation which is headed by Mr. Yasser Arafat. Indeed, recently Mr. Arafat went so far as to say publicly that if he were assassinated the culprit would probably be found in the ranks of the Iraqi intelligence services.

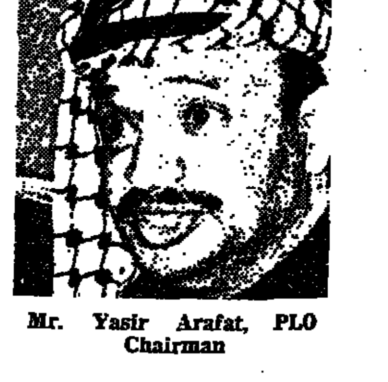
The conflict between Fatah and the Iraqi government is made deeper through the presence in Baghdad of Abu Nidal, the *nom de guerre* of Sabri al-Banna, who was formerly the local PLO representative. In 1974 he was sentenced to death by Fatah for plotting to kill Mr. Arafat, and he heads, from the Iraqi capital, a small group mostly composed of the "Rejection Front" of sympathisers taken from Fatah. His followers have carried out operations under the name of the "Black June" organisation.

In the middle of last month, the PLO Central Council which acts as a liaision group between the National Assembly and the Executive Committee met in Damascus. One of its resolutions denounced "the hostile stand of certain Iraqi apparatuses" and condemned "the outrageous assassinations of Ali Nasser Yassin and Said Hammami." Mr. Hammami was assassinated in London at the beginning of this year, and Mr. Yassin in Kuwait in June. Both were reckoned to be moderates within the PLO, as was Mr. Izzedin Kalak the PLO's murdered man in Paris.

The Iraqi Government naturally says there is no proof that *Abu Nidal* or "certain Iraqi apparatuses" have been involved in these operations. But last month in an interview with Newsweek, Mr. Saddam Hussein, said that "certain factions of the Palestinian resistance get our assistance without any interference in their aims and policies or the way they're carried out. The most we do is that when we see that their policies harm Iraq we tell them so and ask them to refrain from exploiting opportunities that reflect badly on us."

And while Iraq is pulled in one direction by its involvement with the Palestinians and the Arab-Israeli conflict, it is also deeply involved with the Gulf. Baghdad's rulers have earned a certain breathing space through its Kurdish agreement with Iran after years of tension. But they are acutely aware of the growing military strength of Iran and its close alliance with the U.S. (Iraq's diplomatic relations were broken with Washington after the 1967 Arab-Israeli war).

In the Gulf, Iraq has been advocating that there should be agreement on freedom of navigation and closer economic co-operation. It has mooted too that the superpowers should remove themselves from the region. On the first issue both Iran, Saudi Arabia and other Gulf states are hesitant to press too hard for closer co-operation because of the fear of radical political views. On the second, it is clear that the conservatives want to see a lessening of Soviet influence, while Iraq wants America out.

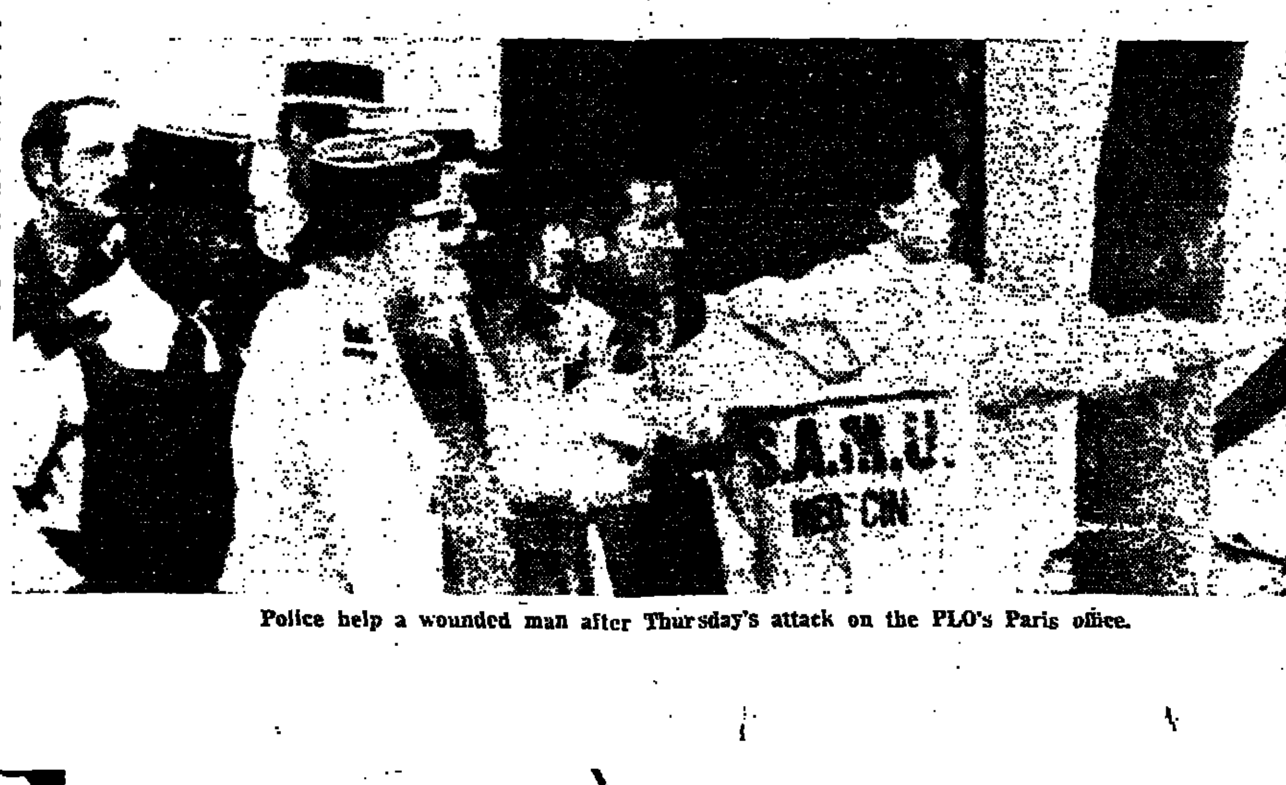


Mr. Yasir Arafat, PLO Chairman

Even with its Communists, the Ba'athist Government is not fully at peace, raising the possibility of strains with Moscow. In May, 21 members of the Communist Party were executed for setting up secret cells within the armed forces and thereby breaking the pact under which the Communists originally joined the National Progressive Front. Iraqi officials maintain that internal and external policies in relations with Moscow are not in conflict. But it is also a fact that Iraq and the Soviet Union are on opposite sides in conflicts in the Horn of Africa.

According to U.S. intelligence sources, Iraq has been supplying weapons to Eritrean rebels fighting Soviet-backed Ethiopian forces, and has also given support to Somalia, which expelled Soviet military advisers in November, 1977.

Drawing attention to Iraq's complex internal and external policies does not automatically imply that it is exclusively to blame for "offshore" violence. But Iraq is significant in that, perhaps more than any other Arab country, it is an example of a nation wracked by tensions which also exist elsewhere in the Middle East. The extreme policies of its leaders have inevitably led to the emergence of a large number of enemies of the regime who are increasingly turning to the gun outside the Middle East to settle scores.



Police help a wounded man after Thursday's attack on the PLO's Paris office.

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Oil switch may cost Scots 22,000 jobs

BY RAY DAFTER, ENERGY CORRESPONDENT

THE SLOWER pace expected in North Sea oil development could cost Scotland 22,000 jobs over the next eight years, according to a report published yesterday.

The Department of Energy estimates that some 100,000 jobs in the UK are related to North Sea oil and gas projects, with half of them in Scotland.

Aberdeen University's department of political economy consider that the Scottish jobs may reach a peak of 58,000 next year but will fall to 36,000 by 1986, when the emphasis of North Sea activity has switched from development—the construction and installation of offshore equipment—to production.

The university's report, the result of a five-year study commissioned by the Scottish Office, highlights the need to increase Scottish involvement in offshore export markets and to establish "downstream" oil and gas processing industries, such as petrochemical plants.

The study team is doubtful about the role of regional policy making in relation to these new developments. It recommends that planning and predictions for the North Sea should be made more open.

North East Scotland is said to have secured the greatest employment benefit from oil. With less than 15 per cent of Scotland's total population, it had nearly 55 per cent of Scotland's oil-related jobs. Central Scotland, with 75 per cent of the population, had only 40 per cent of the jobs.

It was found that oil-related industries were paying above-average wages in some areas of the country, particularly the North East, but that there had been no relative movement in wages paid by traditional local industries.

Plant makers want to limit liability

BY OUR CONSUMER AFFAIRS CORRESPONDENT

FACTORY MACHINERY should be excluded from any new legislation aimed at making manufacturers more liable for defective products, says the Process Plant Association.

Mr. Harry Hornsby, the association's director, commented that process plant manufacturers were not in a contractual relationship with consumers. "Those liable to injury from defective plant would be employees of the users of the plant and not users' customers or the general public," he said. "Plant users' employees are amply protected by existing legislation."

Mr. Hornsby's comment were included in a submission to the CBI's working party on product liability.

The CBI has already made clear its view that new product liability legislation in Britain is unnecessary and could prove costly for industry. But the Government said this week that increased product liability "would be an important and widely welcomed reform in the law."

Mr. Hornsby, however, argues that, although there is a case for strengthening the consumers' position on product liability, it would be a mistake to emulate the American system.

"This has resulted in outrageous claims, and some insurance premiums have been increased 25-fold because of them," he said. "This cost has ultimately to be borne by the consumer."

Beer output rises to 4m barrels

BEER PRODUCTION in June was 3,952,063 bulk barrels, up 8.9 per cent compared with the same month last year. Total production for the first six months was 19,811,488 bulk barrels, an increase of 4.2 per cent on the previous year.

The Brewers' Society said the June figure was mainly affected by the short spell of good weather at the beginning of the month, causing the trade to increase stocks in anticipation of better summer weather.

"In addition, the brewers were building up stocks, in anticipation of the peak months of July and August.

"Unfortunately, in much of the country the promise of better weather has not been fulfilled and it is likely that the July figures will reflect this," the society added.

Civil engineers attack intervention

FINANCIAL TIMES REPORTER

GOVERNMENT intervention, with state control of forms of contract and training, would be bad for civil engineering, says the Institution of Civil Engineers in reaction to the Labour Party's policy document "Building Britain's Future."

The institution describes the plan to set up a large public procurement agency to organise the letting of public-sector contracts as another level of bureaucracy, "which would be of no benefit to the country."

Its comments, sent to Ministers, MPs and Mr. Ron Hayward, Labour's general secretary, asks for assurance that "nationalisation and central procurement would not provide the politicians with increased opportunities for switching the industry on and off and hence amplify the changes in the work load rather than level them."

Denying Labour claims that competitive tendering "is very wasteful," the Institution says that the practice is used worldwide in all the most successful economies.

The cost of tendering to the contractor is a fraction of 1 per cent of turnover, adds the Institution, and it is not unusual for clients to use selective tendering—asking only a select group of civil engineering contractors with proven efficiency to tender.

In critising the whole construction industry, the Labour Party was showing "insufficient understanding" of how civil engineering really works.

ITT wins £24m Post Office printer order

ITT's business systems division in the UK has won an order worth £24m from the Post Office for 12,000 Creed teleprinters and associated equipment for use on the country's telex network. The order means that ITT will be the the prime supplier of teleprinters to the Post Office.

The contract covers the transition from the model 15 teleprinter to model 23B, the ITT 2300. Delivery will be completed by the end of 1979.

● Over the year ending in May, the number of telex installations in the UK increased by 10.5 per cent over the previous year to nearly 73,000. World market for telex equipment is estimated at £180m a year.

McIntyre to control Radio 3

THE BBC has now confirmed that the man who master-minded the recent much-criticised changes in Radio 4, Mr. Ian McIntyre, is to be moved to the job of controller, Radio 3. The BBC has yet to fill Mr. MacIntyre's Radio 4 job.

The present controller of Radio 3, Mr. Stephen Hearst, becomes controller of the corporation's future policy control group.

Mr. McIntyre has been controller of Radio 4 for two years. Some of the changes he introduced, notably reorganisation of the morning Today programme, have been heavily criticised.

Concern over delayed mink farm decision

IN A strongly-worded letter to Mr. Bruce Millan, Secretary for Scotland, Mr. Edward Eunson, convener of Orkney Islands Council, has expressed concern over a delay in issuing the result of an inquiry into a proposed mink farm on Westray.

The council gave Mr. George Drever, of Westray, planning permission some time ago, but after conservation interests expressed alarm that a mink might escape and do irreparable damage to the breeding colonies of birds, Mr. Millan stepped in and revoked the permission, pending a public inquiry. The inquiry, lasting four days, ended on February 23.

"The time you have taken to give us your decision on the inquiry," says Mr. Eunson, "is in marked contrast to the haste with which you responded to the influence of pressure groups and imposed draft orders to prevent the development from proceeding."

Tower lures 3m visitors

ADMISSIONS to historic buildings and monuments in England increased by 9 per cent last year, according to English Heritage Monitor. Published by the English Tourist Board.

The Tower of London attracted a record 3m paid admissions, an increase of 500,000. Petworth House in Sussex showed an increase of 54 per cent.

Tax ombudsman

A CALL for a separate ombudsman to deal with complaints about taxation has been made in a letter to the Prime Minister by Mr. William Clark, MP, chairman of the Income Tax Payers' Society. The Commissioner for Taxation should be more accessible than the Parliamentary Commissioner, who can only be approached through an MP, he says.

BNOC takes 25% stake in BP emergency vessel

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE BRITISH National Oil Corporation will have a 25 per cent stake in the £60m North Sea emergency support vessel to be built for the corporation and British Petroleum, it was announced yesterday.

As reported in the Financial Times earlier this week, it has been decided to place the contract with Scott Lithgow, the Lower Clyde member of British Shipbuilders.

BNOC's desire for a stake in the vessel has emerged only recently and it seems curious that the craft will be operated by BP and based in the Forties Field, in which the corporation has no stake.

Interest

But it will have a 25 per cent share of the vessel's time for maintenance work in neighbouring fields in which it does have an interest. It also wants to gain more experience in employing a type of vessel which is still relatively new.

Another reason—of great interest to the oil companies expected to order another dozen emergency support vessels for the North Sea in the next few years—is the financial advantages of the deal for BP.

Normally, shipowners persuaded to buy from expensive British shipyards are compensated for their loss by the Government's Shipbuilding Intervention Fund, a second £85m phase of which was announced earlier this week.

But the Department of Industry has made it clear to the Department of Energy that it does not consider profitable North Sea oil companies as suitable subjects for such aid.

Energy Ministers are thus left with the task of persuading BP to buy British without the lure of a grant to offset the cost penalty.

At 25 per cent, the BNOC stake corresponds roughly to the mark-down BP might have expected had the Shipbuilding Intervention Fund been made available.

This is clearly not a device which the Government will be able to use to win all future emergency support vessel orders. But Mr. Dickson Mabon, the Energy Under-Secretary, has made it clear on many occasions that he will do everything possible to prevent such orders going abroad.

Pontoons

Japanese shipyards claim to be able to build semi-submersible vessels of the BP type at not much more than half the British price.

The BP-BNOC vessel will be delivered in 1981. It will have twin pontoons with six vertical columns supporting accommodation for 220 people and work areas, along with a saturation diving complex, hospital, helicopter deck and fire-fighting equipment.

Propelled by twin, controllable pitch propellers, the craft will have full dynamic positioning in addition to a four-point anchoring system capable of 83 days of endurance in Beaufort sea scale 8.

British Steel shuts three benzole plants

BY KEVIN DONE, CHEMICALS CORRESPONDENT

BRITISH STEEL (Chemicals) is closing three benzole refineries because of the recession in the steel industry and the depressed state of petrochemicals markets.

The refineries are at Ravenscraig in Scotland, Port Clarence on Teesside, and Scunthorpe. No redundancies are expected from the closures, and staff will probably be redeployed on other plants.

British Steel's chemicals division is building a £20m benzole refinery at Port Clarence to replace the old plants, but it is not expected to come on stream before May 1980.

The old plants have a combined capacity to process 70,000 tonnes a year of benzole, compared with the new renery, which will have a capacity of 125,000 tonnes a year.

Benzole is a by-product from the corporation's coke ovens and is refined into benzene, a basic petrochemical with a wide range of uses in products such as plastics, synthetic dyestuffs and pharmaceuticals.

BSC (Chemicals) has been running down the three small benzole refineries for some time, because the drastic cut in steel production has reduced the amount of benzole available for refining.

The plants have been operating at little more than 50 per cent capacity. BSC benzole will now be switched from the three old refineries to the Staveley Chemicals plant at Chesterfield.

The corporation has a 45 per cent stake in Staveley Chemicals, which it owns jointly with the National Coal Board (45 per cent) and Continental Oil of the U.S. (10 per cent).

The European market for benzene has been depressed for many months, partly because of cheap imports from the U.S. of benzene and derivative products, such as styrene.

Several other plants have been hit by weak demand. Esso Chemicals' 145,000 tonnes a year benzene plant at Fawley, near Southampton, has been closed for nearly two years, and no date has been set to bring the plant back into production.

At Grangemouth, BP Chemicals shut down its ethylbenzene and styrene plants earlier this year, and Imperial Chemical Industries is concerned about the poor profitability of all its aromatics plants at its Teesside petrochemicals complex.

Airbus meeting ends

FINANCIAL TIMES REPORTER

DISCUSSIONS over possible British entry into partnership with other European manufacturers of the Airbus airliner inched forward yesterday with the ending of a further Ministerial meeting in London.

This involved Mr. Eric Varley, Industry Secretary, M. Joel le Theule, French Transport Minister, and Herr Martin Gruner, State-Secretary in the West German Ministry of Economic Affairs responsible for aerospace.

The French Minister was backed by six officials, Herr Gruner by five and Mr. Varley by Sir Kenneth Berrill, head of the Central Policy Review Staff—the "think tank"—and officials from the Industry Department and the Foreign and Commonwealth Office.

The meeting followed similar discussions in Paris and Bonn on May 23 and July 20, when Ministers discussed the prospects of Britain's joining the European Airbus Industrie consortium to help build the new B-10 version of the A-300 Airbus.

Housing of 1.5m families below par

Financial Times Reporter

MORE THAN 1.5m households still live in circumstances which are unacceptable by today's standards, said Mr. Peter Shore, Secretary for the Environment, commenting on the findings of a national survey published this week.

The first provisional results from the national dwelling and housing survey showed a marked improvement in the housing standards of the country, he said.

Since 1971 the supply of housing has increased by nearly 1.3m, the number of households lacking exclusive use of basic amenities has fallen from 2.8m to 1.4m; the number sharing a home has fallen from 795,000 to 510,000, and the number of households with more than one person to a room has fallen from 220,000 to 75,000.

These results were based on a sample of 90,000 addresses throughout England. More detailed national and regional results will be published later this year.

Mr. Shore said: "However, despite the progress made since 1971, serious problems remain: we estimate that a hard core of 1.5m households still live in circumstances which are unacceptable by today's standards."

Second homes

The survey also estimated that at the end of 1977 there were 17,360,000 dwellings in England, of which 840,000 were either vacant or second homes. The total number of households at that time is estimated at 16,820,000, giving a margin of 540,000 houses.

The highest proportion of households lacking exclusive use of basic amenities is in London and the North West. In London, this is said to be mainly because of sharing, and in the North West to the absence of amenities such as inside lavatories and hot water supplies.

At the end of 1977, about 55 per cent of households in England were owner occupiers, 30 per cent tenants of local authorities or new town corporations, 1 per cent tenants of housing associations, and 14 per cent private tenants.

Between 1971 and 1977 the number of properties owned by private landlords fell at an average rate of about 125,000 a year.

This occurred at a similar rate in the late 1960s, but the Department of the Environment suggests that in the latter period this was mainly due to slum clearance. In the 1970s more privately rented accommodation was sold for owner occupation or to local authorities.

Labour MPs back city power move

EXTENDED powers for big cities over education and other services announced by the Government on Thursday were welcomed yesterday by Labour MPs.

They see the move as having great electoral value to Labour because of the number of marginal seats in the cities.

The measures will take place in the local government reorganisation introduced by the Conservatives in 1972. Cities such as Bristol, Southampton, Derby, Hull, Leicester, Nottingham, Plymouth, Portsmouth and Stoke-on-Trent can expect increases in powers over social services, planning and roads.

Mr. Bryan Gould, MP for Southampton Test, led delegations of Labour MPs to four Cabinet Ministers to urge the changes. He said: "These moves will be warmly welcomed by Labour supporters throughout the country."

Mrs. Shirley Williams, Education Secretary, apparently accepted that cities with a population of more than 200,000 would be suitable for more education powers. But she resisted suggestions to increase the education powers of cities with a population of more than 100,000 such as Norwich, Ipswich, Cambridge, Oxford, Swindon and Peterborough.

Mr. Gould has a majority of only a few hundred in Southampton. Mr. Frank Judd, Foreign Office Minister has a majority of less than 2,000 in Portsmouth and Dr. David Owen, Foreign Secretary has a majority of just more than 2,000 in Plymouth. Mr. Ron Thomas former Tribune chairman, has a slender majority in Bristol.

33,000 cross Irish Sea

CAR FERRIES of the British and Irish Line are expected to carry 33,000 passengers and 6,200 cars across the Irish Sea and back between yesterday and next Tuesday in the busiest holiday week-end of the season, the line said yesterday.

Monday is the summer bank holiday in the Republic, and B and I traffic is up on last year's figures.

All told there will be 30 sailings between Liverpool and Dublin, and Swansea and Cork, with the bulk of the traffic in and out of the Mersey.

Stranded air travellers lobby envoy

BY LYNTON McLAIN, INDUSTRIAL STAFF

THERE WERE angry scenes outside the U.S. Embassy in London yesterday as a group of stranded transatlantic air travellers handed a protest letter to the Consul General demanding more stand-by and budget seats on scheduled services.

Many of the passengers had waited almost a week for flights from Gatwick and Heathrow airports. The 40 protesters called on Mr. Norman Redden, the Consul-General, to put pressure on large scheduled airlines to change their policies.

Many airlines advertise stand-by seats among their range of services, but as air travel out of Britain reaches an unprecedented summer peak, more than 2,000 would-be passengers have had to wait each day this week in the hope of getting a ticket.

Assured

Stand-by seats are not available as a right on scheduled services, their availability depends on capacity. At the moment there is little spare.

The demonstration yesterday was organised by the 600 passengers waiting in an underground car park near the Pan Am terminal at Victoria.

Most travellers would prefer to try their chances in the 1,000-strong queue for Laker Airways Skytrain tickets outside Victoria Station each day this week.

Julie Beattie, a 18-year-old secretary from Quebec, said that at least she was assured of a Laker flight eventually, but she could be waiting at a scheduled airline terminal "for weeks."

The protest came as a U.S. charter airline, given permission by the Trade Department to fly home passengers stranded through the lack of stand-by capacity, flew its first batch of travellers from Gatwick.

Trans International Airlines, one of the world's largest charter carriers, was given the go-ahead on Thursday to use its spare capacity to help clear the backlog of passengers waiting for tickets at Gatwick and in London.

The Trade Department agreed that Laker Airways should act as the air travel organiser for TIA as more than half the stranded passengers are waiting for places aboard the Laker Skytrain to New York.

Thirty-six passengers were yesterday transferred to a TIA aircraft at Gatwick. The cost per seat was understood to be the same as that for a stand-by ticket on a scheduled airline.

The move came after the Civil Aviation Authority had announced plans on Wednesday to ease the growing congestion at airports in the south east. Airlines were now free to use at will their entire quotas allocated until the end of October.

Under existing rules, Pan Am, British Airways, TWA, El Al, Iran Air and Air India were allowed to offer a maximum total of 2850 seats each week at stand-by rates.

Summer in Victoria. Youngsters cheerfully face a long wait for cheap flights.

The aviation authority's order would enable them to use all available space to ferry stand-by passengers back to New York. But yesterday the plan had made little difference to the long queues of those waiting for tickets.

● British holidaymakers flying south this weekend could still face delays in spite of the decision by French air traffic controllers to call off their work to rule, the Association of British Travel Agents said yesterday. Some aircraft were still out of sequence and in the wrong place as a result of the dispute.

Cash incentive possible at BL

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS' 100,000 manual workers could earn up to an extra £15 a week under a new incentive scheme outlined in negotiations with the trade unions yesterday.

Potential earnings are nearly double the £8 a week offered under a productivity deal rejected by the work force in a postal ballot earlier this year.

Mr. Michael Edwardes, BL chairman, has emphasised that the early introduction of an incentive scheme is "crucial to the survival of the company."

The Leyland problem remains one of poor production. Low output levels so far this year have hampered the company's efforts to win a bigger share of what promises to be a record UK market.

Though manned to produce more than 1m cars a year, the State-owned concern at present seems unlikely to achieve the modest output target of 819,000 cars set by Mr. Edwardes.

Management faces the difficult problem that more than 7,000 jobs must be shed before the end of the year just to bring the labour force into line with the reduced volume. The risk is that any programme of voluntary redundancies, which would have been necessary anyway, will be linked in the minds of the workers with the incentive scheme.

The joint management/union negotiating committee discussed details of the scheme in Coventry yesterday, and will resume talks in two weeks. Hopes are high that broad agreement will be reached. Another postal ballot may be necessary, but the scheme could then be implemented very quickly.

The unions have committed themselves to parity—the idea of the same wage for the same job, regardless of plant. Management can be expected to insist that the same effort should also be expended, and to that end require free access and acceptance of the findings of industrial engineers, known as "time and motion" men.

Such a move, if pursued, would mark a real attack on the vigorously defended "mutuality"—the power to determine the manning and the pace of assembly lines.

Civil Service staff study action plans

BY OUR LABOUR STAFF

CIVIL SERVICE unions have been asked by their pay negotiating body to examine areas and establishments where industrial action could have greatest effect if the Government attempts to impose its 5 per cent pay rise limit instead of the findings of pay comparisons with private industry.

One union, the Society of Civil and Public Servants, has identified areas where industrial action would be most effective in a confidential document which has been presented to the union's executive. A decision on action has not yet been taken.

All nine Civil Service unions, representing more than 500,000 non-industrial civil servants, have agreed under the auspices of the union side of the National Whitley Council on a programme for action in support of the 20-30 per cent awards the unions feel the reactivated Pay Research Unit must recommend.

Civil Service unions, as shown by the strength of the pay motion submitted to the TUC by the largest union, the Civil and Public Services Association, are not prepared ot settle within the 5 per cent limit of Stage Four.

Some union leaders see scope for avoiding a direct clash in the flexibility clauses of the Government's White Paper, Winning the Battle Against Inflation, which allows room for awards similar to those made to the police and firemen for a small number of similar groups.

Others feel that their members will not accept even staged pay increases, but will want full and immediate implementation of the pay research findings, due to appear by mid-November.

Chances of a possible conflict with the civil servants, already bitter over their Stage Three pay deal, have been increased by the agreement made by the national staff side.

The staff side has asked unions to prepare for the Government's either preventing implementation of the pay research findings or becoming directly involved in pay negotiations.

Tanker drivers want 50% overtime rise

BY NICK GARNETT, LABOUR STAFF

A CLAIM for rises of more than 50 per cent on overtime rates was formulated yesterday at a national meeting of shop stewards representing oil tanker drivers who severely dislocated petrol supplies earlier this year in a dispute over pay.

The claim, which has the backing of the Transport and General Workers' Union, incorporates a 20 per cent increase on the basic pay for the 10,000 drivers and a reduction in hours.

The claim is outside productivity payments the drivers are now trying to negotiate with at least three of the oil companies.

Further meetings of shop stewards representing drivers at individual companies will now be held before the claim is submitted. A settlement is due in November.

The drivers' present weekly basic pay is £75 but overtime is based on a rate of about £59.50. Union negotiators say the last settlement included a forward commitment to lift the overtime rate to £75 at the end of this year, but some of the oil companies imply that this would have to be conditional on pay policy.

The new claim is for a basic £90 and that this should also be the rate on which overtime is calculated. Improvements in fringe benefits are also being sought.

Petrol deliveries were cut by up to 30 per cent. during the last dispute following tough sanctions imposed by the drivers.

Aerospace workers want to meet Lord Beswick

STAFF UNIONS within British Aerospace are seeking an urgent meeting with Lord Beswick, the corporation's chairman, over what the unions warn is a severe shortage of skilled staff.

The corporation's joint staff unions committee, which represents 30,000 people in 19 factories, says the success of the industry is being jeopardised by its failure to recruit, train and retain sufficient qualified staff in technical and commercial areas.

The industry, with a high level of sub-contracting, is fully stretched in coping with its current work load.

"We believe that the future performance of the airframe sector of British Aerospace will depend on improving its present wage levels, or further major staff wastage will ensue and future projects will be abandoned, thus causing more contraction in manpower and losing its ability to compete in world markets."

Such contraction and decline, says the committee would lead to the subordination of British Aerospace to other western manufacturers, particularly in the U.S.

The staff associations say the only way forward is by a rapid rise in wages to encourage staff retention and recruitment of the best personnel.

Polaris blacking backed

BY PHILIP BASSETT, LABOUR STAFF

DOCKYARD WORKERS at naval bases on the Clyde voted yesterday to accept the recommendation from their shop stewards to black work on the Polaris submarine Resolution in support of a pay claim for 183,000 industrial civil servants.

Meetings of 2,500 workers at the three Clydeside bases of Faslane, Coulport and Arrochar decided overwhelmingly that all work, except that essential for health or safety reasons, should be blacked.

Mr. Eddie McLafferty, chairman of the shop stewards' advisory committee, said after the meeting that a decision had not been taken to make the action more effective beyond blacking the submarine, although shop stewards did have plans in mind. Workers at the bases are considering sit-ins against any further lock-outs by the Navy.

The Resolution returned to the Clyde after being relieved at sea by Revenge. Mr. Fred Mulley, Defence Secretary, ordered the navy in last week to free the Revenge from blacking by dockyard workers.

Strikes end at two docks

STRIKING maintenance men at Southampton and King's Lynn docks have agreed to return to work on Monday, the British Transport Docks Board said yesterday.

Strikes by maintenance men who want parity with registered dock workers continue at Hull, Goole, Grimsby, Immingham, Swansea and Newport.

Unequal opportunities

BY JOE RENNISON

SINCE WOMEN decided to abandon their natural, nay, Heavenly decreed role as guardians of kinder, kirche and kuche and decided to compete in the world of mind and muscle, they do not seem to have had too good a go of things, particularly in the world of housing. Whether the poor dears are too dim to grasp the opportunities that have been given them or whether they have been stymied in their efforts to do so by adroit male manoeuvring will no doubt be the subject of everlasting debate. (How a male-dominated Parliament ever came to give their collective wives so much ammunition for breakfast table naggings will remain one of Life's Great Mysteries.)

Anyway the law, ass though it be, has decreed that women should be treated in the same way as men in all matters pertaining to the buying and selling of property. And the law must be obeyed. But it is not: probably just as much unintentionally as otherwise in most cases.

In defence of the women, I suggested in this column six months ago that they were getting a raw deal when it came to the allocation of mortgages by building society branch managers. This was based on a comparison of the amounts loaned by the Abbey National Building Society to married couples, single men and single women. There was a thousand pounds difference in the amount loaned between the first and the second, and the second and the third.

The mere suggestion of this brought down upon my head the wrath of the Abbey's rumbustious Antipodean Chief General Manager in a published Letter to the Editor. He suggested that I was being mischievous (the very thought!). He suggested the reason was that women earn less than men in many occupations and that men are probably better at looking at property from an investment angle. He did however give the game away by adding: "Are men better able than 'the weaker sex' to manage the upkeep of a residence larger than their needs?" Condescending, if nothing else.

Now I admit that there was no firm evidence on which to base my surmise. Now, however, the Equal Opportunities Commission have taken the lid off the whole affair in a report which proves that in many instances women are discriminated against in the allocation of mortgages. The Commission asked the Consumers' Association Survey Unit to investigate the attitude of building society managers to the request for joint mortgages where the income of the female partner was greater than that of the male. The summary of the main findings are listed at the end of this article.

In presenting the report Lady Howe, Deputy Chairman of the EOC, pointed out that really it was the fault of the women concerned that allowed this kind of situation to happen. They should know their rights and the Commission would be only too happy to help them to fight for their cause. The building societies also came under fire for not briefing their staff sufficiently on the requirements of the law under the Sex Discrimination Act.

Now that the EOC has shown that the law is definitely on the side of the females some startling scenarios could emerge, such as. Police constable enters building society manager's office, clears throat, hitches up trousers, does the knees bend bit and declaims: "'Ello, 'ello, 'ello, what's all this about you not givin' Mrs. Jones the money like as how what she is due to. I hereby nick you under Section 29 of the Act of Sex Dissimulation or whatever." Manager is clapped in gyves and carted off to the local jug.

Still, our congratulations to the ladies. They have brought one step closer the end of civilisation as we men have come to know and love it.

MAIN CONCLUSIONS

1—In 28 per cent of cases where the wife earned more than her husband, the building society branches visited refused to take her income as the main basis for calculating the mortgage.

2—A refusal was more likely at branches of small building societies (36 per cent) than at branches of large building societies (21 per cent).

3—In a further 10 per cent of cases where the wife earned more than her husband, the building society branches agreed to take her salary as the main basis for calculating the mortgage only after being pressed to do so by the shopper.

4—The lowest mortgage loan offered to a couple with a higher-earning husband was £7,900. The lowest mortgage offered to a couple with a higher-earning wife was £5,500.

5—The loan offers made to a couple were on average £500 lower where the wife was the higher earner than where the husband was the higher earner.

6—The average loan offered was approximately £11,500. However, of all loan offers of under £10,000, 70 per cent were made to couples where the wife was the higher earner.

7—36 per cent of all building society branches discriminated in some way against a couple with a higher-earning wife.

8—43 per cent of all building society branches did not discriminate against a couple with a higher-earning wife. It seemed possible that the remaining 21 per cent of branches would discriminate in certain circumstances.

9—Discrimination was more likely at branches of small building societies (44 per cent) than at branches of large building societies (29 per cent.).

10—Of the large building societies, branches of the Alliance, Bradford and Bingley, Britannia and Leeds Permanent building societies seemed least likely to discriminate against a couple with a higher-earning earning wife.

11—Of the large building societies, branches of the Cheltenham and Gloucester and the Woolwich Equitable building societies seemed most likely to discriminate against a couple with a higher-earning wife.

12—Of the mortgage brokers who were asked, almost half advised shoppers that they would be unlikely to get a mortgage based on the income of a higher-earning wife.

The basic principle

Wife's income in relation to mortgage assessment

In calculating loan entitlement for a joint mortgage many Building Societies use a formula in which one partner's income is multiplied by a certain figure (or multiple) and then added to a proportion (or lower multiple) of the other partner's income; the sum total represents the mortgage advance which the Society is prepared to offer. On this basis the amount of the loan will, of course, be higher where the larger multiple is applied to the higher of the two salaries.

In order to comply with the Sex Discrimination Act, Building Societies which use any such formula must not, as an invariable rule, apply the higher multiple to the husband's income and the lower multiple to the wife's because this discriminates against a woman who earns more than her husband as compared with a man who earns more than his wife.

Building Societies must ensure, therefore, that where a wife is the higher earner, there is no refusal or deliberate omission, on grounds of sec, to treat her salary as the main basis for calculating the amount of mortgage offered.

It is almost a question of two for the price of one with the above house. The London and Ramsbury offices of John German Ralph Pay are seeking offers around £75,000 for Rumwell Lodge, an unusually interesting property two miles from Taunton. The property has two main facades—one built in the 17th century and the other in the 19th. The original house, now the garden side, is believed to have been built around 1670, with a major addition, the front door elevation, added in about 1815.

Set in beautiful gardens, with a grass orchard and paddock, the property consists of about 7½ acres in all, including a modern bungalow, useful for staff or relatives. The main house has four reception rooms, five principal and two secondary bedrooms and four bathrooms, including two en suite.

The area has benefited enormously, say the agents, by the extension of the M5 which has diverted all the West Country flow of traffic, and add that there is a tremendous shortage for this type of property.

Gathering of the greats

GOLF

BEN WRIGHT

PITTSBURGH, AUGUST 4

WITH FOUR HOLES to play in his second round in the 60th U.S. PGA Championship here at Oakmont Country Club, Tom Watson, the overnight leader, is struggling valiantly to maintain his advantage. Starting at four under par, the stocky Watson was immediately in trouble as the mists rolled away when he dropped strokes to par at the first and third holes to lose his advantage at that stage to second-placed Dave Stockton, three under par overnight.

But Watson has fought his way back with birdies at the fifth and ninth holes to be out in level par 36. He dropped another stroke at the short par four 11th but then made another birdie at the 14th to be back where he started at four under, two strokes clear of his nearest rival—with many hours of golf to come.

At present, Johnny Miller, who won the U.S. Open here in 1973, is two under par. At one under at various stages of their second rounds are Stockton, Bob Murphy, Tom Weiskopf and Tom Purtzer. The leader board shows four more players at present level with par, Jerry Pate, last week's tour winner, Rod Funseth, Lee Trevino, and the 1973 U.S. amateur champion, Craig Stadler.

Such an excellent leader board in terms of the great names of golf is to be expected on a course that is 6,989 yards long, par 71, and has housed more major championships by far than any other golf course on this vast continent. It is a course that demands everything of a golfer—long, accurate driving, pin-pointed iron play, courageous putting and, above all, abundant patience.

Of the five Open championships staged here, there was only one shock winner—perhaps the greatest shock victor of all time in U.S. golf—the unknown Sam Parks in 1935. The other four champions to win here were Tommy Armour, Ben Hogan, Jack Nicklaus and, most recently, Miller. Bobby Jones won an amateur championship here in 1925, and lost in the final here on another occasion, while Steve Melnyk, who won the British Amateur in 1971, won its U.S. counterpart here two years previously. The previous winners of the U.S. PGA championship here have been Gene Sarazen and Sam Snead in 1922 and 1951 respectively. It will be no surprise if the rumour that this great club will stage the 1983 U.S. Open comes through in time.

WHEN rain and bad light combined finally to halt play last evening, six players had failed tto complete their first round and were sent out soon after dawn this morning in front of the field which started its second round at 7.30 am. They were playing over a much dried out course with fair weather forecast after morning mist.

This left Tom Watson, making his best-ever start in either this championship or the U.S. Open, leading the field with a four-under-par 67 from Dave Stockton (68), twice the U.S. PGA champion. There were four players at 69, two of whom, Ben Crenshaw and Dave Hill, compiled their score before the major rain delay caused by the thunderstorm that washed out play for 90 minutes.

The other two, Johnny Miller, who won the U.S. Open here in 1973 with a blistering final record round of 63, and Lee Trevino, both finished their rounds after the thunderstorm, and since Watson and Stockton also had the benefit of the softened greens it could be said in rather Irish manner that those who had the worst of the weather had the best of the day.

But opinion was seriously divided about how much the rain affected a course that is known for the fierce pace and undulations of its greens, which are renowned the world over when dry as the fiercest on this continent, if not in the whole of golf.

Watson, for instance, said that the speed was not altered in any way. Stockton, who is often said to survive on the tour on courage and a red-hot putter alone, alleged that the greens were about one-third the speed before the rain that they were afterwards. Miller said: "On a scale of 1 to 100 they were about one notch slower," whatever that means.

Of a group of ten players, the only remaining ones under par, the most outstanding was the defending champion, Lanny Wadkins, who was totally unfancied as he has been battling with his game for most of the season.

There were six players at 71, eight more at 72, and then the lone Briton, Peter Oosterhuis, one of 12 at 73 tied for 31st place.

Of the notable failures, Gary Player could be said to be one in that he took 76 early in the day. But since the little South African took no less than four putts on the first green for a frightening two-over-par six, and three-putted three more greens on the outward half, his journey home in 35 shots—par—could be said to have been a notable statement of character.

Jack Nicklaus was, in his own words, "never with it" as he slumped to a 79 that will make it mightly difficult for him to make the cut this evening. He has only three times missed the cut in a major championship as a professional: first as the defending champion in 1963 in the U.S. Open at Brookline; in 1967 in the Masters Tournament at Augusta, having won there in 1965 and 1966; and lastly in the 1968 U.S. PGA at Pecan Valley, San Antonio, Texas.

I wrongly expressed the opinion yesterday that Nicklaus had never scored more than 79 in a major championship before. Last night he reminded me of the 80 he scored in the 1962 British Open won by Arnold Palmer at Troon, although on that occasion Nickcaus survived all four rounds in his first appearance in our premier championship as a professional.

Watson's putting, which has gone sour in recent weeks, has at last come back to him, enabling him to lay the foundation of a splendid round. He made birdie four at the long fourth hole of 561 yards with an eight foot putt, holed from 30 feet for another at the seventh, and made nothing of the par five ninth of 480 yards by extricating his ball from a greenside bunker just a yard from the hole.

Before the rains came, he rolled in a 35-foot putt on the tenth green for his fourth birdie and a 12-foot putt for another at the next.

When he hit a superb five-iron shot three feet from the hole at the 185-yard 13th, Watson was five under par. There was only one blemish on his card at the time. The eighth hole here is a 255-yard par three, and Watson had taken four there, having been bunkered from the tee. Immediately after the resumption he took three putts from 15 feet on the 14th green to drop his second and last stroke to par, and had to pitch out of trouble at the 15th and save himself with an eight-foot putt.

Why the natives are growing restful

EDUCATION

MICHAEL DIXON

CROSSED threads were the main outcome of the televised Nuts and Bolts of the Economy discussion the other Sunday about "education for industry."

Take for example the following statement delivered before 14 other eminences from business, unions, public service and academia, by Mr. Jim Prior, Conservative spokesman on employment. Mr. Prior, who evidently believes in "vocational education" between the ages of 14 and 19 for the many youngsters who "think with their hands," declared:

". . . we have to go back, I think, to the last century to find the revulsion that there was through the first Industrial Revolution against the practices of industry at that time, and therefore so many of our abler people moved away from industry and moved into the Civil Service or the professions or the Commonwealth and Empire as it then was."

Really? Many of the nineteenth century graduates—which is what Mr. Prior clearly meant by "abler people"—did not need to work, of course. But of the rest, it does seem true to say that they went into the Civil Service, professions and colonies. I cannot see, however, that they could be fairly described as having "moved away from industry." They surely had no intention of going anywhere near it in the first place.

And while today industry shows significantly among the career destinations of new graduates, I doubt whether many of them are going into it in the same spirit as did nineteenth century aspirants to careers in industrial management. Rather, in the current absence of Empire to go to, the graduate classes are now "colonising" the wealth-generating sector.

Moreover, true to the type of their Empire-building predecessors, the prime urge of the new industrial colonisers is apparently to make it a land fit for the educated to live in. But there is another respect in which the ethos of the new settlers is diametrically opposed to that of their ancestors.

An instance of the past tendency is provided by the games traditionally played by the inhabitants of West Sumatra before the Dutch moved in there. The natives used to pass their leisure by co-operating to keep a ball for as long as possible from bouncing on the ground, and the chap who finished first in a ceremonial race was liable to be banned from ever entering again. Then in came the settlers to spoil things by infecting the natives with the urge to play to win.

By contrast, the graduate classes seem preoccupied with constructing for themselves career paths that are free from unseemly competition, or at least the painful consequences thereof.

The same tender-minded attitude naturally prevails in the Civil Service's almost exclusively graduate upper tiers, which guide the nation's policies. As the Department of Industry showed last year with its Industry, Education and Management report—which I am astonished to find some people took seriously—whenever mandarins wonder how to improve the running of the industrial outposts, they conclude without question that what industry needs is managers more like the mandarins themselves. So the model for the colonies becomes the Civil Service, with preferential career progress for graduates, guaranteed salary increases, and high job security.

The result looks likely to be bad, especially for the natives to whom industry and commerce previously offered a chance of recovering from educational failure.

By blocking their career ladders half way up with a barrier which can be passed only by being good at something entirely different—namely, passing academic examinations—the new colonisers' urge to remove the pain of competition from their own working lives clearly threatens to remove motivation from everybody else's. And I cannot see how this threat, which stems from selecting people for responsible work primarily by inappropriate academic criteria, will be reduced by Mr. Prior's scheme to strengthen the colonisers' hold by providing a separate "vocational education" from the age of 14 for the natives who "think with their hands."

What, I wonder, does Mr. Prior think with?

THE WEEK IN THE MARKETS

So near but so far

LONDON

ONLOOKER

However unintentionally Allied Breweries has done its bit to keep the Financial Times Industrial Ordinary Index below the 500 barrier. By the middle of the week the Index had less than two points to go and it seemed only a matter of time before the magical figure was breached. But then came the announcement that Allied had sold its big investment in Trust Houses Forte which took the institutions a little time to absorb.

On Thursday the Index closed within a whisker of 500 even though the hopes of a cut in the Minimum Lending Rate were unfulfilled. Still the interest in second line stocks pushed the All-Share Index to a new all-time peak and it seemed a foregone conclusion that the Ordinary index would pass 500 on Friday. But that was until Allied—a constituent of the 30 share index—made its bid for J. Lyons. At 10 am the index, excluding Allied, actually passed the 500 mark, but thereafter prices drifted lower on a broad front.

Piran no saint

Saint Piran, the mining and construction group, was effectively fined £56,000 this week for what the City Take-Over Panel described as "regrettable lack of care."

Eight days ago the chairman of Saint Piran, Mr. W. J. R. Shaw, telexed instructions from Bangkok to two separate brokers telling them each to buy 500,000 shares in Orme developments. This purchase brought the total stake owned by Piran and other parties considered to be acting in concert beyond the 30 per cent level at which a bid is required under the Take-over Code. But Mr. Shaw had no intention of making a bid. He had not realised that Piran was considered by the Panel to be acting in concert with other parties, mainly Messrs. Bob Tanner and Peter Whitfield.

Piran still does not accept that it was acting in concert with Messrs Tanner and Whitfield although it quickly obeyed the Panel's order to sell back the 1m shares, taking a loss of about £56,000 in the process.

Piran could have appealed against the Panel's ruling but in doing so it would have run the risk of facing a more daunting order—to mount a full bid for Orme which it could not afford.

Meanwhile Comben Group is proceeding with its bid for Orme, its chances slightly improved by the latest development. It did not buy the 1m shares which Piran had to sell at a knock-down price. Maybe it has not taken proper advantage of Piran's weakened position.

Tax gusher

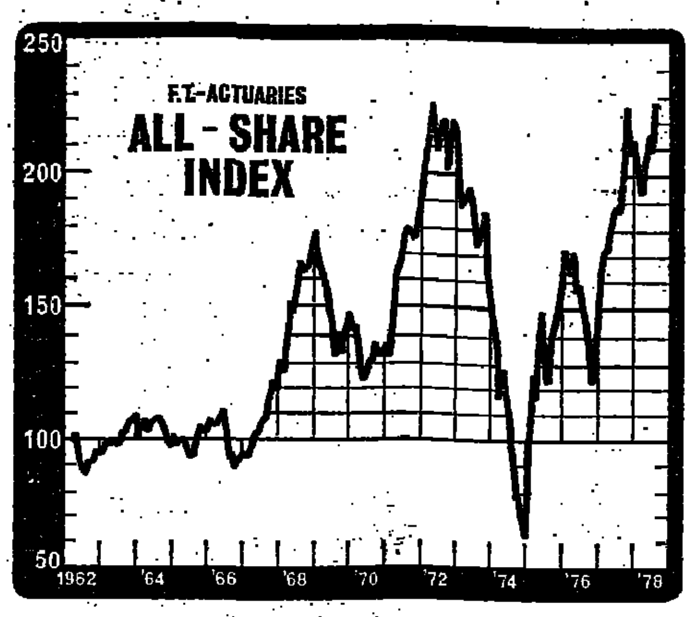
Oil shares were marked down by nervous traders after the Government announced plans for two major changes to its North Sea oil tax rules on Wednesday.

The proposed changes increase the Petroleum Revenue Tax from 45 per cent to 60 per cent on January 1, allow a production rate of only 500,000 tonnes a year before becoming liable for tax instead of the 1m tonnes a year as at present, and cut the percentage of capital spending allowable before PRT is payable from 175 per cent to 135 per cent. This gives the government an extra £2bn over the next seven years and has the effect of reducing annual company earnings by amounts which are still a matter of considerable argument among the analysts.

The oil stocks underperformed the market during the week but the trend was rather erratic, reflecting a combination of reflex reaction to Government intervention and an initially overpessimistic view by speculators. By Thursday prices had recovered a little as analysts focused on the cash flow side of North Sea oil exploitation.

But yesterday the prices turned down again, partly because of the weakness of the overall market but mainly because of a further reappraisal of profit prospects of individual North Sea operators. Wood McKenzie, for example, on Thursday felt that the changes would cost BP at least 10p a share in earnings next year. By Friday the broking firm was indicating that 10p could be a bit on the low side. Other firms were suggesting a cut of as much as 16p.

While the changes have still to be included in a finance bill and there is a very strong possibility of an election before next year few analysts were taking much comfort from the possibility of a change of Government. The opposition stopped short of a denunciation of the plans when the matter was raised in Parliament.



Consumer trends

The consumer boom is certainly evident in the figures from two retailers this week. Dixons Photographic's profits rise of a tenth to £9.5m may look pedestrian but it is Weston Pharmaceuticals, acquired a couple of years ago, which has let the side down. The traditional retail outlets are showing a £1m jump in profits to £3.85m. Elsewhere Waring and Gillow, which has a heavy commitment to furniture retailing, managed a very good rise in profits.

But this buoyancy is leaving manufacturer Hoover out in the cold. Interim figures to June show sales unchanged at £95m and pre-tax profits down to £3.82m against £7.67m.

The question that remains unanswered is how Hoover could miss out when consumer spending is apparently so strong. Destocking by retailers is a factor, but by no means the whole story. The industry figures for home manufacturers' deliveries show automatic washing machines up 26 per cent and cleaners up 36 per cent in value terms during the first five months. Yet Hoover, with static sales, claims maintained market share. Imports have probably taken more of the market, and sales through Electricity showrooms, with a significant proportion of Italian imports under the "Electra" label, confirm this feeling—but it is still not the full answer.

Hoover is doing poorly, and this year will be lucky to reach profits of £10m pre-tax against £12.2m. Perhaps there will be some recovery during the second half but already the future for retailers is looking uncertain beyond the first half of 1979. So Hoover may find itself bypassed by this consumer revival and not really in a strong position to face the next cyclical downturn.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM JULY 6

	% Change
Insurance (Life)	+16.5
Hire Purchase	+16.0
Insurance (Composite)	+14.7
Building Materials	+14.6
Property	+14.2
Lt. Electronics, Radio TV	+13.9
All-Share Index	+ 9.9

THE WORST PERFORMERS

Office Equipment	+ 6.3
Toys and Games	+ 6.1
Misc. Financial	+ 4.3
Overseas Traders	+ 3.5
Oils	+ 3.0
Newspapers, Publishing	+ 2.9

In hope

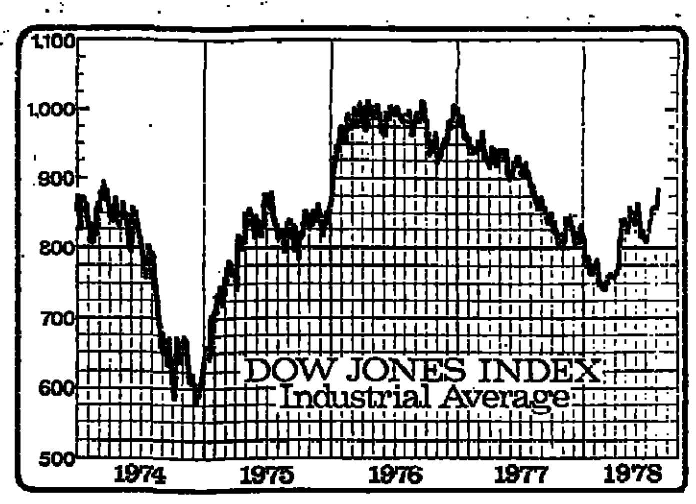
NEW YORK

JOHN WYLES

THERE ARE several reasons why for the non-participant the New York stock market is more often than not one of the best shows in town. One of the most enjoyable is its wilful and repeated tendency to ignore expert opinion. These experts, it should be understood, are non-productive in Wall Street terms. They sell no stocks and neither do they go out on the road much rounding up new clients. They are paid very substantial salaries to analyse and explain the economic world around them on the very correct assumption that investors are looking for guidance about when to commit their money and to what.

Nevertheless, with some regularity the men who manage the billions of investment dollars in pension and trust funds, banks and insurance companies appear to sweep all of the learned advice off the desks. Like a herd of wild antelope, they raise their noses to the wind and respond to a primeval instinct which often sends one and all galloping in the same direction which may lead to a precipice or to new green, and profitable, pastures. A gallop of sorts has most definitely got under way on the New York Stock Exchange this week for reasons which most expert opinion find definitely dubious. For the second time in less than four months the market has rallied, establishing a new high this year for the Dow Jones Industrial Average, a new record for daily trading volume and on Wednesday the largest daily advance in prices for more than three and a half years.

Devoted readers will recall that a fortnight ago this column, in faithfully reporting expert opinion, had retailed the view that the market would show no great advance nor decline in the coming weeks. But, having sniffed the wind, the investment herd has decided otherwise largely, it seems, because it has captured the odour of falling interest rates. "The market is telling that interest rates are not going to go any higher," said a bemused Mr. Alan Lerner, senior economist at Banker's Trust. Mr. Lerner expects interest rates to go higher, so do Merrill Lynch's economists and even Mr. Erich Heinemann of Morgan Stanley (whose collective house view is that interest rates are at or very near their peak) has forecast further increases of up to 75 basis points.



Dr. Henry Kaufman of Salomon has just completed his usual exhaustive mid-year analysis of the outlook for the credit markets and concluded that "the current unprecedented mushrooming of credit demands will continue over the 12 months ended June 30, 1979" and that as a consequence "upward pressures upon interest rates will remain quite strong and will last sometime into 1979."

Two phenomena appear to have persuaded many investors to turn a deaf ear to these heavyweight views. One is the expressed hope of Mr. G. William Miller, chairman of the Federal Reserve Board, that interest rates are near their peak and that credit conditions will be easier by next year.

Mr. Miller's influence on investors first became apparent in mid-April when it will be remembered the stock market staged a major recovery of prices and trading volume. Such was its vigour that it was labelled "Miller's market" because the Federal Reserve chairman was credited with putting fresh heart into investors by his strong public line on reducing inflation. It matters not, it seems, that Mr. Miller is now being criticised by Wall Street economists for apparently softening his public line on inflation, but rather his hopes on interest rates coincide with those of investors because, more often than not, genuine stock market recoveries traditionally follow on the heels of an interest rate peak. The second positive influence this week has been the Treasury's quarterly refinancing which has produced lower than expected interest rates, which in turn, has helped raise prices and lower yields in the overall bond market.

Now managers of investment funds have careers to protect and families to feed and these interests tend to be jeopardised if they are not somewhere in the middle of a substantial market rally. These gentlemen have been exercising great prudence over the last 18 months, eschewing stocks and to a significant extent bonds and accumulating ever increasing quantities of cash. If Mr. Miller is hopeful and treasury yields are ceasing to soar, then that is good enough for many money managers to start to feel nervous about missing a bandwagon.

This surge, in which I believe foreign buying is playing an important part, raises the question of whether inflation has for the time being ceased to plague investors.

	Close	Change
Monday	862.27	+ 5.98
Tuesday	860.71	− 1.56
Wednesday	883.49	+22.78
Thursday	886.87	+ 3.38
Friday	888.43	+ 1.56

MARKET HIGHLIGHTS OF THE WEEK

The following table lists the changes in the FT 30-share index and its constituents since the 1978 index low was recorded on March 2. The FT Gold Mines index is also shown.

	Price y'day	Change since Mar 2	1978 High	1978 Low
Ind. Ord. Ind.	497.2	+63.8	499.9	433.4
Allied Breweries	84½	+ 4½	94	78
BOC Int.	72½	+ 8	79	63
Beecham	700	+105	705	583
Blue Circle	272	+49	273	220
Boots	222	+38	231	184
Bowater	196	+26	205	163
BP	834	+114	896	720
Brown (J.)	434	+158	434	231
Cadbury Sch.	58	+ 9	59	48
Courtaulds	122	+14	131	109
Distillers	199	+36	200	163
Dunlop	73	− 5	90	71
EMI	148	+ 7	190	138
GEC	286	+49	286	233
Glaxo	595	+75	610	515
Grand Met.	117	+30	118	87
GKN	285	+20	287	248
Hawker Sid.	230	+64	238	166
ICI	389	+61	396	328
Imperial Gp.	84	+11	84	71½
London Brick	74	+11½	76½	61
Lucas Inds.	324	+84	326	240
Marks & Sp.	165	+28	167	135
P. & O. Dfd.	88	− 7	118	83½
Plessey	99	+ 9	103	87
Tate & Lyle	170	−21	218	164
Tube Invs.	390	+22	396	336
Turner & N.	190	+10	209	166
UDS	102	+20	102	82
Vickers	180	+ 2	199	160
Gold Mines Ind.	185.1	+22.5	191.5	130.3

U.K. INDICES

Average week to	Aug. 4	July 28	July 21
FINANCIAL TIMES			
Govt. Secs.	70.83	70.89	70.61
Fixed Interest	72.54	72.19	71.62
Indust. Ord.	495.5	486.4	473.8
Gold Mines	187.1	176.6	166.8
Dealings mkd.	5,118	5,169	4,451
FT ACTUARIES			
Capital Gds.	229.20	223.25	216.77
Consumer (Durable)	209.35	204.96	198.87
Cons. (Non-Durable)	214.04	210.71	203.51
Ind. Group	223.28	218.91	212.29
500-Share	245.53	241.83	235.52
Financial Gp.	171.46	167.73	164.98
All-Share	226.71	222.88	217.55
Red. Debs.	57.25	57.14	56.95

Gold shares pause for breath as bullion cools

MINING

KENNETH MARSTON

GOLD and gold-share markets have turned distinctly cooler this week after the previous excitement. Admittedly, the bullion price jumped to a new record of just under $208 per ounce at one time on Tuesday, but it quickly boiled-over to close the day at $202¾. Over the week, in fact, daily closing prices have been hovering at just over the $200 level and the market appears to be in a period of consolidation.

Not surprisingly, there has been profit-taking in gold shares after the recent strong advance, but it has been well absorbed by the market. And investors who anticipate a further advance in the gold price after the market has settled down have been taking the opportunity to make their share purchases in the more stable conditions.

They may be taking the right line. But forecasting day-to-day movements in any commodity price, especially one which has just made a strong advance, is a foolhardy exercise. Near-term gold prices could easily take a tumble, especially if the U.S. dollar should rally after its heavy fall.

There is an old Stock Exchange adage that goes back to the "Kaffir boom" days, and maybe even further, which says that nobody ever gets in at the bottom and gets out again at the top. Those who make money are the ones who are prepared to take a longer term view of a market trend and who are prepared to leave some potential profit to the other man.

As far as gold is concerned, the underlying strength of the industrial demand for the metal coupled with the still unresolved doubts about paper currencies in general suggests that its price has a firm base and is still in an overall rising trend; despite the possibility of hiccups on the way up.

South African gold shares look to be similarly placed, but the main difference is that they have to live with a potentially explosive political situation and any severe deterioration of the position in Rhodesia, in particular, would be bound to have a sharply adverse effect on share prices.

This would happen despite the fact that because of the political considerations South African gold share prices stand at a sizeable discount to those of their transatlantic counterparts. However, there is a degree of risk in all investment which is usually commensurate with the anticipated return.

But if the gold price does no more than maintain its current levels the combination of present earnings and those boosted in the past quarter by the change in South Africa's arrangements for buying mine production should produce some splendid dividends in September and October when payments are due to be announced by the Orange Free State and Evander area mines.

Latest estimates from stockbrokers Williams de Broe suggest that Western Holdings could pay a final for the year to September 30 of as much as 240 cents (142p) to make a year's total of 430 cents against 280 cents last time. President Steyn, they feel, could declare as much as 80 cents against 10 cents to make a total of 110 cents against only 20 cents for 1976-77.

Of other likely finals, that of St. Helena is estimated at 85 cents to make a year's total of 165 cents against 115 cents; Free State Geduld 190 cents to make 320 cents against 240 cents; President Brand 95 cents to make 160 cents against 130 cents; and Welkom 35 cents to make 60 cents against 35 cents.

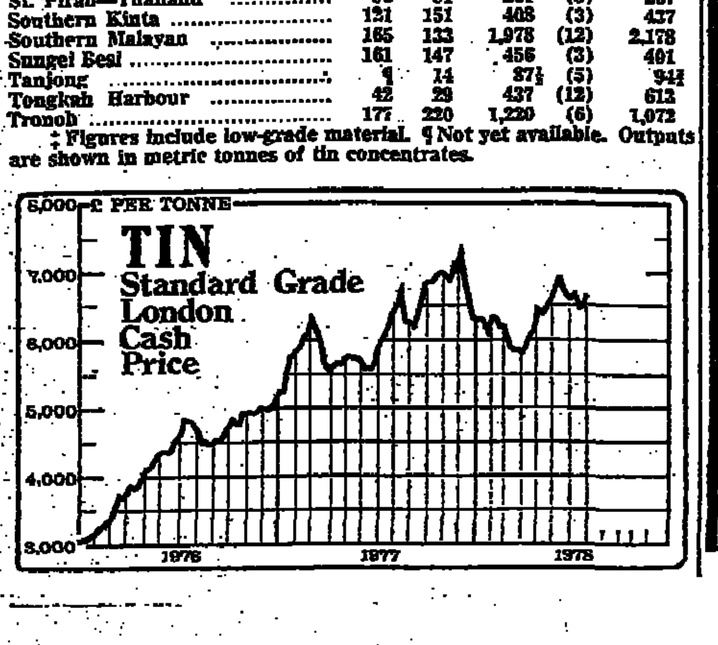
Odd man out in the OFS declarations will be Harmony which is due to declare an interim. In this case the suggested payment is 30 cents against 25 cents a year ago when the subsequent final was 30 cents. But in view of the gold-uranium mine's excellent June quarter profits other observers are looking for a payment of 40 cents.

Final dividends expected from the Evander mines include a payment from Winkelhaak of 70 cents which would make a year's total of 123 cents compared with 86 cents for 1976-77; Bracken 22 cents to make 42 cents against 25 cents; Kinross 30 cents to make 53 cents against 34 cents; and 12 cents to make 19 cents against only 3 cents for 1976-77.

TIN OUTPUTS COMPARED

	June, 1978 tonnes	May, 1978 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	171	124	419	(3)	524
Amal. of Nigeria (columbite)	28	26	92	(3)	47
Aokam	107	111	1,563	(12)	1,898
Ayer Hitam	158	229	1,794	(12)	4,132
Berjuntai	381	340	721	(2)	82¼
Bisichi Jantar (tin)	25	¶	199½	(6)	203½
Bisichi Jantar (columbite)	20½	¶	194	(6)	188
CRM Sri Trimah	164½	79½	749	(6)	663½
Ex Lands Nigeria	22	24	154	(6)	153
Geevor‡	103	100	301	(3)	277
Gold and Base (tin)	¶	¶	100	(4)	106
Gold and Base (columbite)	¶	¶	1	(4)	2
Gopeng	125¼	139½	1,247¾	(9)	1,397
Idris	19½	18	103¼	(6)	161¾
Kamunting	37	35	106	(3)	128
Kent (FMS)	¶	¶	102½	(1)	434½
Killinghall	19	42½	466	(9)	560
Kinta Kellas	¶	¶	500½	(12)	658½
Kuala Kampar	16	22	58	(3)	90
Lower Perak	22	31	53	(2)	49
Malayan	228	187	2,568	(12)	3,242
Pahang	¶	142	1,463	(11)	1,692
Pengkalen	9½	9½	78½	(9)	148¾
Petaling	130	130	955	(8)	740½
Rahman	117	89	877¾	(12)	649
St. Piran—Far East	28	19	64	(3)	68
St. Piran—UK (South Crofty)	211	219	600	(3)	569
St. Piran—Thailand	95	81	261	(3)	267
Southern Kinta	121	151	408	(3)	437
Southern Malayan	165	133	1,978	(12)	2,178
Sungei Besi	161	147	456	(3)	401
Tanjong	¶	14	87½	(5)	94½
Tongkah Harbour	42	29	437	(12)	612
Tronoh	177	220	1,220	(6)	1,072

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.



FINANCE AND THE FAMILY

Income tax and age allowance

BY OUR LEGAL STAFF

In your answer under Income Tax and age allowance (June 17) you stated that the tax free NSB interest of £70 x 2 (to a joint account of husband and wife) does not affect age allowance. However, as the interest is required to be entered in the tax return does it enter in the calculation of investment income surcharge?

No: section 414 of the Taxes Act says that "those sums shall be disregarded for all the purposes of the Income Tax Acts, other than the furnishing of information."

Interest on legacy

Under Interest on legacy (June 24) you stated that the rate of interest is 4 per cent from the date of death. I recently read that the rate of interest is now 5 per cent and that it starts to run from the end of the first year. What, please, is the position? In my recent role as executor I have found that insurance companies do not pay out any money until grant of probate has been obtained. Does the 4 per cent apply to them?

It is correct that Order 44 Rule 19 of the Rules of the Supreme Court was amended with effect from January 1, 1973 to set interest on legacies at 5 per cent per annum beginning at the expiration of 1 year after the testator's death. However, that rule governs the position where an account is directed to be taken by a judgment of the court. Otherwise the ordinary rule under the general law still applies namely that interest is at 4 per cent and runs from the date of death if the legacy is charged on realty but otherwise from the anniversary of the testator's death.

Insurance monies are not a legacy. If however the contract of insurance provides for payment on death you would be able to recover interest under the Law Reform (Miscellaneous Provisions) Act 1934 if you sue for payment of the monies, but not if you recover them not through litigation.

Collecting ground rents

I refer to your reply under Collecting ground rents (July 3). I have to pay a chief rent of £30 a year on some properties, only one of which I now own. Another owner is supposed to pay me £13.60 a year, after collecting from others. I have the utmost difficulty in getting this money out of him. Can I opt out and just pay my own share?

You can only "opt out" as you suggest by persuading the owner of the rentcharge, i.e. the person to whom you pay the rent to enter into a legal, or formal, apportionment of the rentcharge with yourself and the other rent payers. If the rent owner enters into a deed of apportionment your land will be exonerated of payment save as to your own share of the rentcharge.

Extension of lease

We bought a house on a 37 year lease in 1949. It was divided into two flats one of which has now fallen vacant, and we would like to buy the freehold, so that it could go to our daughter on her forthcoming marriage and if she could occupy the vacant flat. However, due to the shortness of the unexpired portion of the lease, the landlord is not willing to sell. What do you suggest we do?

If your daughter lives in the property as owner of it for over five years, she would be entitled to an extension of the lease for a further 50 years, but at a higher rent, on the determination of the original term of the lease. Alternatively she could purchase the freehold after the five years' qualifying period.

Tenant and remainderman

What rights has the remainderman with a vested reversionary interest in a house, which the life tenant wishes to sell, and to replace by a small flat, to object? Is there anything one can do apart from placing a caution at the Land Registry, so that nothing is done precipitately? The house concerned was chosen about 12 years ago by the life tenant with full knowledge of the terms of the trust.

You should make your position and views known to the trustees. They have a duty to hold an even hand between life tenant and remainderman. Without knowing the precise terms of the trust instrument we cannot advise fully, but it is possible that the life tenant cannot require the trustees to purchase a different house without the remainderman's consent. We think that it would be appropriate to place a caution on the registered title; and you could be liable in damages for doing so without grounds in law to support the caution.

A power of attorney

How may a power of attorney be revoked, i.e. withdrawn after it had been given?

A power of attorney which is not expressed to be irrevocable may be revoked by the death or incapacity of the donor of the power or by her revoking the power by deed or under hand, or even by word of mouth, provided notice is given to the donee.

Tax resident abroad

With reference to your piece some months ago about non-resident exemption from foreign dividends tax on payment, I believe you said that such exemption could be obtained by submitting form A1 to the Inland Revenue. When I eventually obtained this form, I found it only dealt with repayment of tax deducted. Is there not some form which stops the tax from being deducted in the first place? What do you suggest I do?

Presumably you are referring to the reply published on October 15 last under the heading "Tax resident in Greece."

The forms for claiming that future oversea dividends etc. be paid without deduction of UK tax (where the shares etc. are on a UK register) is A3.

However, if it is your own bank which is deducting the UK tax (as distinct from the company's UK paying agents), then there is no prescribed form—a letter to the bank will suffice. You should draw the bank's attention to sub-section 4 of section 159 of the Income and Corporation Taxes Act 1970:

"(4) In the cases mentioned in subsections (2) and (3) above, no tax shall be chargeable if it is proved, on a claim in that behalf made to the Board, that the person owning the stocks, funds, shares or securities and entitled to the dividends or proceeds is not resident in the United Kingdom."

The bank will require details of periods spent in the UK in recent years, and of your plans for future visits to the UK, in order to establish that you are likely to remain not resident here (for tax purposes). In addition, they will probably ask for a formal indemnity against claims for UK tax which might arise if you were ultimately regarded as resident here by the UK tax authorities. A collection charge is likely to be levied, to cover the necessary formalities (and the loss of poundage under paragraph 10 of schedule 5 to the Taxes Act), and this is something which you may wish to check with the bank in advance.

Certificate of use

In your answer of December 14 last under Useless Piece of Land you state "Moreover, it is not at present apparent why you cannot build . . . on the land, as there must have been an established use." We own a farm on which stood a country house, which, until in 1965 it was demolished following a fire, was for a few years being used as a school. What is your opinion on established use in this case? We have been advised that the local council's policy is to ignore it.

The planning authority is not entitled to ignore established use if there is indeed such a use. You can indeed apply to the authority for a certificate of established use under Section 94 of the Town and Country Planning Act 1971. There would be an established use if the use as a school was begun before January 1, 1964, and had continued for four years. Thus if the school use was from, say, 1959 to the fire in 1965, that would be the established use.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Subsidence caused by a tree

As a result, possibly, of the drought of 1976, the excessive water uptake of a chestnut tree is considered to be the cause of subsidence to my garage by a local builder who specialises in such problems. Do you consider I would succeed in a claim for damages against my neighbour, without litigation? What sort of evidence would be required?

We see no reason why you should not suceed in a claim for damages, but ultimately the only way to enforce a claim is by litigation. When you say the water uptake of the tree "is considered" to be the cause of subsidence, presumably the builder who considers this to be the case, can provide some evidence.

Registering a transfer

Our reply under the heading Registering a transfer (July 8) was not correct. Under the terms of the Exchange Control Act 1947, a UK registrar may not register a transfer unless either it is lodged by a UK Authorised Depositary or is lodged with declarations as to residential status made by an Authorised Depositary.

This is a basic rule to which the only relaxation is in respect of the winding up of estates of UK residents. In that case the executors or administrators may lodge the transfers which may be accepted by the UK registrar provided that the beneficiary is a UK resident and the securities are quoted sterling securities.

Faith and figures

INSURANCE

JOHN PHILIP

THE BRITISH insurance market, both companies and Lloyds, enjoys a high reputation, so I must admit to being bothered when I hear or read allegations of bad faith against insurers, whether these be against individual companies or syndicates, named or unnamed, or against the market generally. My anxiety is increased when I read the comments of colleague Eric Short last Saturday.

Eric, you will recall, was discussing some aspects of domestic under-insurance and had quite a lot to say on the application of the principle of average to claims by under-insured policyholders. Saying, "There are rumours that certain insurance companies are using averaging even though there is no specific clause in the policy," he went on to give his opinion that if indeed this is happening such action is to be thoroughly deplored.

I am no better informed than he about what is happening, but I do not share his view that such action is to be deplored, because I firmly believe that far too many policyholders get away with deliberate (rather than inadvertent) under-insurance at the expense of the few who arrange adequate cover. I equally firmly believe that far too often insurers, whatever their reasons, fail to bring home to those policyholders the errors of their ways, by the best means possible—by paying less than the amounts claimed, as is their lawful entitlement.

Let us go back to insurance fundamentals. Each one of us, when buying cover, whether for car, home, or person, must disclose all material facts. In property insurance, whether commercial or domestic, the value of the property to be insured is almost without exception a material fact.

This value fixes insurers' financial limit of liability and many control the amount they reinsure for self protection: it is the yardstick on which the appropriate rate of premium is charged; it is one of the underwriting factors which insurers use in deciding the terms and conditions they will apply. In the domestic field, the proposer has to state the full value of his house or flat, or the contents, as the case may be—either in answer to a positive question or by way of specific declaration.

Home, motor, and other personal policies are normally annually renewable contracts—so that either party can choose to go his own way at the end of the insurance year. Insurers' widespread, but not universal, practice is to issue a renewal invitation on each annual contract: this invitation implicitly says on behalf of insurers "we are prepared to give you another year's cover on the assumption that the risk has not changed materially."

Although insurers and policyholders talk about renewal, the renewal of any annual contract is in law the effecting of a new annual contract—and it is only for the convenience of the parties that the old documents are continued. The annual reissue of policy documents, which would otherwise be required, would push up the annual cost of insurance by several pounds per policy. At renewal then, the duty of disclosure arises as it does at inception.

Since the publication of the non life Statement of Insurance Practice by the companies and Lloyds' in the spring of last year, insurers have begun to emphasise by warnings on renewal notices or other renewal documents that renewal is invited on the terms indicated but subject to the disclosure of those material facts that have changed since inception or last renewal, as the case may be.

In this context I wrote a fortnight ago about the disclosure of newly incurred physical disabilities to motor insurers at renewal. Just as you must tell insurers if you have lost the sight of one eye between one motor renewal and the next, so you must tell them if you change the orthodox slate or tiled roof to your home for one of Norfolk reed thatch. So also you must tell insurers if the value of your property has changed, even only by the impact of inflation, so long as you have not had the sum insured index linked.

Insurers' legal action against the policyholder who fails in his duty of disclosure whether motor, household or whatever, is to avoid the policy and return the premium. In the nature of things, nondisclosure is usually discovered only when a claim is made and so avoidance of the policy involves leaving the policyholder unprotected in his time of trouble: but no insurer jealous of his good name wishes to leave him so unprotected unless the non-disclosure is fraudulent.

According to the circumstances, therefore, and whether in the commercial or domestic sphere, it is open to insurers to say to the non-disclosing policy holder—"Legally we can avoid the policy and in doing so we can turn down your claim, but we will not take this drastic action. Provided you agree with us to put your insurance on a proper basis for the future we will make you an ex gratia payment, which will take account of the extent to which we have been misinformed, and so get our cover and premium wrong."

There is nothing unlawful and nothing deplorable about this approach, whether it is made in the light of undisclosed motoring convictions or in consequence of substantial understatement of insured values on "all risks" or other domestic insurances.

Commonsense suggests that in the case of property the reduction in insurers payment ought to be calculated having regard to the relationship of the insured value to the full value—in other words as though a condition of average were to be applied.

With the increasing momentum towards detailed harmonisation of insurance contract laws within the EEC it is possible that during the next few years the 100 per cent rigour of British non-disclosure law will be modified in favour of some kind of proportional liability—the degree of non-disclosure having a direct bearing on that proportion.

If this change does come about, then an EEC directive, plus a British Act of Parliament may well endorse the legal correctness of action which currently major British insurers seem reluctant to take in dealing with under-insurance on household claims.

New ways in the wine trade

WINE

NICHOLAS FAITH

THE BULGARIANS were there, and so were the Turks, the Tunisians and 23 other wine-making countries. The Nitrate Corporation of Chile jostled with P & O for space, within hailing distance of the South-Western Gas Board and Christie's. In all there were over 80 exhibitors at the first World Wine Fair and Festival, which has just completed a highly successful 10-day run at the grandiosely-named Bristol Exhibition Centre, housed in a couple of handsome—if dilapidated—warehouses which could do with a bit more refurbishing. Nevertheless, the site, near the centre of Bristol but still providing some exhibitors with a chance to show their wares by the waterside, is potentially a perfect one.

In fact the only major absentees were the majority of the big wine companies owned by the brewers, with the notable exception of Harveys and the Hedges and Butler subsidiary of Bass Charrington.

The wine market was simultaneously clobbered by major increases in duty and by a sharp reduction in the really disposable income available to the middle classes. Nevertheless, the market has been getting more sophisticated, and this is one of the factors which will condition the very rapid growth expected in the next five years.

The figures, from regular consumer surveys and from market researchers like Acumen-System 3 which specialise in wines and spirits, all tend to agree. Whereas in 1970 only one in three of the population had drunk light wines in the past six months, the figure last year was 46 per cent, and Harveys, for one, expects the figure to rise to nearly 60 per cent by 1982. More crucially, the majority of drinkers who did not drink very often are drinking more frequently and the increase in their numbers is concentrated on the crucial (because very large) C1 market, the skilled classes. Harveys projects a 70 per cent increase in consumption to 445m bottles by 1982.

Even after such an increase our per capita consumption would still be comfortably below that of our EEC partners, however, and the confidence throughout the trade is reinforced by comparisons with other sectors of the drinks market. First, though from a very low base, expenditure on wine has outpaced that on beer or spirits throughout the post-war period. Second, the outlook for the competition looks decidedly unfavourable. Port and sherry are seen as declining markets, too tied to an elderly consumer profile for marketing comfort; and vermouth, which has outpaced table wine in the past seven years, is seen as limited to too narrow (though young and affluent) a segment of the consuming public to be able to continue its staggering rise to fame.

A major marketing war lies ahead as consumers show signs of increasing brand loyalty. The present low level of spending on table wine advertising may rise considerably

The contrast between wine and vermouth, or indeed any other type of drink, is not confined to their market profiles. It continues into the marketing process. In the words of Nigel Croney of Courtenay Wines: "All the important drinks markets—whisky, vermouth, port, sherry, gin, etc.—are each dominated by a handful of brands which virtually control 80 per cent of the total market. In table wines the exact opposite is the case. The market is highly fragmented by brand: no brand has more than an 8 per cent share and with the exception of Mateus and certain German wines, few have received media support of a regular and meaningful level over the past few years."

The contrast is indeed extraordinary: even a market as close to that of table wines as champagne is dominated by one brand (Moet et Chandon, which has a third of the total). As Croney pointed out, £4m is spent on advertising in the £100m vermouth market against a mere £2m in a table wine market worth over £500m at retail prices. One brand of vermouth alone, Martini, spent more by itself in advertising in 1977 than the whole of the table wine business put together, so it is not surprising that there is very little awareness of brands compared with virtually any other consumer market.

The exceptions to the no-brand rules were few and significant. Two, the Blue Nun Liebfraumilch sold by Sichel's, and the petillant Mateus Rosé taken over by Hedges and Butler at the end of the 1960s, were classic "the boss is coming to dinner—a bottle of wine is as important as candles" type of wine, providing an appearance of correctness with any type of meal.

But the third, Hirondelle, invented by Bass Charrington, was the wine trade's first proper brand in one important sense: its sales did not depend on the country from which its contents originated. At first conceived as a Moroccan wine, it then relied on supplies from Austria and the outlying portions of the old Austro - Hungarian empire (which took in such far-flung vinous outposts as Bulgaria) before settling firmly in Italy a few years ago. Hirondelle was also exceptional in being originally a red wine: and red wine, in the words of one of the wine trade's many cynics, is not a mass market taste . . . it's an acquired taste.

But now the situation is changing completely, and a new era is opening in wine marketing. There are numerous indications that basic cheap wines, selling under, say, £1.60, will be heavily promoted and that an even more furious battle will rage over the higher-priced brands. In the "cheap, safe and reliable" market, Hirondelle is stepping up its expenditure, while for the first time in some years, an appreciable amount of money is being spent by Allied Breweries in promoting its Don Cortez range of Spanish wines. It is only a few months since Allied's subsidiary, Grants of St. James's, reorganised its wine sales force so that it had definite brand managers' and the effects are now showing.

The supermarkets are now increasingly going up-market. In France the larger ones regularly sell classed growth clarets at prices up to £15 or £20 a bottle. At Bristol the display by the Carrefour hypermarket included some excellent (and inevitably expensive) single vineyard Burgundies.

The willingness of the big buyers — often guided by Masters of Wine and other experts—to look for better wines has encouraged the mass of small new wine merchants who have largely replaced the older generation who sold out in the 1960s. The new men are prepared to scour the regions of France and Italy to look for new wines, and are encouraged by the big buyers.

At a higher level of sales the market is more complicated. At one extreme you have the Pieroth group, a subsidiary of a German family firm which sells well over 100,000 cases of highly priced German wines through the simplest of direct sales methods, tastings in the buyer's home, and none of their wine sells at below £2.40. At the other you have Harveys launching its Number 1 claret, a brand deliberately designed to compete with Hedges and Butler's Mouton Cadet, the only claret brand to have made any mark. The wine trade is still so unused to methods which are routine in more sophisticated markets that, according to Harveys' UK sales director, Jeff Palmer, "the trade was terribly impressed we were spending £50,000 before selling a bottle." Harveys is fully aware that a similar wine, their No. 1 Club Claret, launched in the mid-1960s, was a flop; it was simply, it says, a decade or more before its time.

Both Harveys' No. 1 and Mouton Cadet cost between £2.30 and £2.50, with Hedges and Butler filling the gap left by repeated price increases by introducing Le Berger Baron from the same stable as Mouton Cadet, Baron Philippe de Rothschild's La Bergerie wine marketing business. Judging by the response and the orders taken at Bristol, it may have judged the moment correctly.

Because margins are so much better, the competition in the third of the market which buys wines priced at over £1.50 is not confined to the older brands or to the brewers, for the trade is growing increasingly more confident that consumers will not feel too restricted by price. This has encouraged two highly significant newcomers, both major consumer groups spending significant sums to establish ranges of wines with French names.

Reckitt and Colman, already highly successful with Veuve de Vernay, is promoting its Charbonnier range of French wines, and Cadbury Schweppes owns Courtenay Wines, which is selling a range of wines from all over France under the name of that most beloved of all wine propagandists, the late André Simon.

YOUR SAVINGS AND INVESTMENTS

A choice at Capital Annuities

ASSURANCE

ERIC SHORT

POLICYHOLDERS with Capital Annuities should this week have received a letter from the Policyholders' Protection Board, setting out the current position and asking them what they want to do. The document itself is not a model of clarity, but effectively policyholders have two choices.

They can accept a substitute policy in lieu of their existing contract with Capital Annuities. The new contract offered to annuitants will continue payments scaled down to 90 per cent of the original level. Guaranteed income bond *holders also have their benefits* scaled down to 90 per cent., but certain surrender guarantees have been put on an actuarial basis which means that they might be cut by more than 10 per cent.

Policyholders who choose this course assign to the Board *all* their rights as a creditor of Capital Annuities.

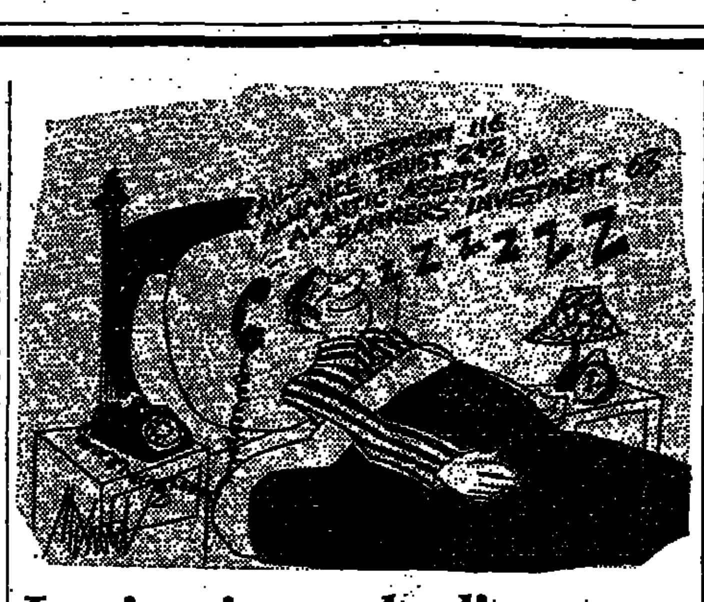
In the alternative, policyholders can retain their rights as creditors, and receive whatever proceds emerge from the liquidation.

The letter does not provide any information on the financial state of Capital Annuities, so policyholders apparently have to make their decision as to which course of action would be most beneficial entirely in the dark. But really, there is not much to decide.

Annuitants and income bond holders have been receiving payments at the 90 per cent level *from the Board's interim* scheme. Taking the substitute policy means that these payments will continue. The Board will collect whatever proceeds arise from the liquidation, and use the mony to offset the costs of continuing these payments under the substitute policy. If there is any surplus at the end of the day, then any surviving policyholders would get a payment in addition to their 90 per cent.

Anyone who is tempted to take pot luck with liquidation should consider the following points. First, all payments cease and the policy holders will receive nothing until the liquidator makes his first distribution. If the experience of Nation Life is typical, then this is likely to take years rather than weeks.

Second, it is not possible to estimate the amount likely to be received. At the time of the application for winding up in April 1976, th directors put a value of £4.39m on the assets, and estimated that there was a deficit of about £250,000. But the assets comprise small property units—mostly secondary and tertiary—and mort*gages held against the security* of property. Indeed, many properties have been acquired through repossession of mortgages. The figure quoted for assets was not based on a professional valuation, and no figure is available for the last valuation. The special manager has been doing a caretaker operation, and he is in no position even to make a guess at the value of the assets. So the probability of a full payout is small. What evidence there is suggests you would do much better to accept a substitute policy and make sure of your money.



Laying it on the line

HAVE YOU ever had occasion to consider the range of pre-recorded services which the Post Office provides? If you happen to have young children, then the answer is in all probability yes—alas, yes; after all, the Post Office doesn't tell its bedtime stories or spin its disc of the day for nothing. Is it any consolation to know that, from now on, the little dears could apply themselves to acquiring investment know-how instead of indulging in these juvenile delights?

Not that such know-how comes courtesy of the Post Office. It comes, instead, courtesy of the Canadian life assurance company Crown, which has installed an information service for the benefit of investors in its unit-linked fund and their professional advisors. Ask for extension 296 at Woking 5033, and what you get is a run down on the portfolio of each of Crown Life's seven unit-linked funds, together with details of the yield for those who hold the income units.

It has to be said that this new service will not do all that much for those who have no investment expertise at all (which being the case, any interest aroused in your offspring might be expected to wane quite fast). It will, however, provide those who know what they are doing with a useful insight into the latest thinking of Crown's investment managers—and the latest valuation of the funds. As for those who are making their first tentative steps into the investment field, they might do worse than to listen in to the blow-by-blow account of the movements in the market which we provide on 01-246 8026.

If they want to take things further they will have the opportunity, come its publication in October, to acquire a little information on a lot of companies from the Hambro Guide to UK listed companies. This is a skimpier, and very much cheaper, version of Extel's Company Cards Service. It has been designed by a company called Investment Evaluator (Hambros *is lending its name), to provide* a brief run-down on the present fortunes of the companies whose share prices are listed on our back pages: any company that wants the world told somewhat more can have it arranged at the payment of a fee. You could not base investment decisions on the information given, but the guide promises to provide a useful and convenient way of updating existing knowledge. The annual subscription is to be set at £9.

A bull in the East

AT A TIME when stock markets in both London and New York are showing signs of quickening life, it might seem a little perverse to ask investors to apply their minds to the merits of quite different exchanges on the far side of the world. That, however, is what the £700m fund management group Gartmore was doing one day last week. Their man in Hong Kong came to London to tell a select band of City men that the Far East is potentially as important an area of investment as is the United States.

He based his argument on the long term economic potential of the area—which, in turn, he traced in part to the development of China, and in part to the productivity and flexibility of labour forces in South East Asia as a whole. All things being equal, he said—and he accepted that all things might well be less than equal—the economy of Japan would be the same size as that of the U.S., within the next twenty years. As to the political risks inherent in half-developed economies, he didn't dismiss them out of hand—but he did reckon that China's new desire for Western technology, Western consumer goods, and the foreign exchange with which to purchase them, would check the disruptive forces.

All of which is very well, but it doesn't alter the fact that, in purely financial terms, this part of the world has a reputation for risk: the Hong Kong market, in particular, is generally regarded as something of a casino. Given the way that the Hang Seng index performed in 1972-74—it quadrupled in little more than a year, then fell by almost 80 per cent—that's hardly surprising. Must investors accept that sort of risk: can they look for that sort of reward? According to Gartmore; no. They say that the rise and fall of the Hang Seng reflected a regrettable aberration, and that the quality of investment in these markets has changed.

The acid test of all this enthusiasm is of course how much Gartmore itself is putting into Far Eastern markets. Its Far Eastern trust, being a specialist fund, is entirely invested there. With the investment trusts under Gartmore's management, however, the situation is rather different. Only London & Gartmore, with around one quarter of its portfolio invested in the Far East, has a representation to compare with its holdings in the U.S.

Why no more? Gartmore says there is something of an intellectual gap, which it has still to bridge with the managers of its other trusts. Hence last week's initiation. But let us do due credit to the managers' honesty. They also said they thought that, in the short term, the Dow Jones was likely to be the more spectacular performer.

A scheme for 'names'

ONE OBLIGATION to being a name at Lloyd's is that you have to put a large sum on deposit, available for call by your syndicate. Such sums have to be readily marketable, so the acceptable types of asset tend to be cash deposits, gilts and such like. This money is not likely to be called during a member's lifetime; and he (or *she) retains the income arising* from it. The money acts as part of the asset base necessary for any insurance operation.

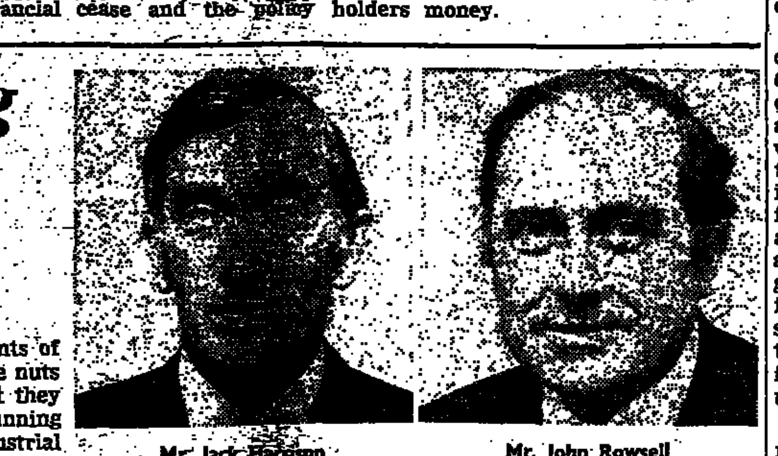
For higher rate taxpayers, however, such a system is not usually "tax efficient." The sort of tax-efficient schemes devised by financial planners tend to lock capital too firmly away. So last year the Committee of Lloyd's introduced a scheme under which a guarantee from an accepted bank became acceptable as a deposit. This week, a firm of Lloyd's brokers, Wigham Poland, launched its own variation on this scheme, with the cumbersome title of Guarantee by Assurance and Investment for Names—GAIN for short.

It is based on Wigham Poland's Gilt-Endowment Plan, itself an ingenious scheme for higher rate taxpayers, which combines gilt investment and *with-profit endowment* assurance in a back-to-back arrangement. A series of short-dated low coupon gilts, redeemable in successive years, are bought. The redemption values pay the annual premiums on a 10-year with-profits endowment issued by Clerical Medical and General Life Assurance Society. Any surplus, plus the tax relief on premiums, provides a tax-free income. At the end of 10 years, the maturity value of the policy becomes available.

Under current conditions an investor aged 44 investing £20,000—the usual size of deposit—would receive a tax free income of £500 in years two to 10, together with interest from the gilts. After 10 years there would be a tax free sum of nearly £35,000 available.

On the strength of this, a guarantee is given by the leading U.S. bank Citibank, which provides an irrevocable letter of credit agreeing to pay the call on demand up to the full amount. Should there be such a demand, the gilts and the policy become the property of the bank. The charges for this guarantee are as follows: ½ per cent of the amount in year one, 1¼ per cent in years two to five, and 1 per cent thereafter. The *increase in income available* under this scheme should more than offset the charges, and they are in any case normally fully allowable for tax relief.

Starting from scratch



Mr. Jack Harrison

Mr. John Rowsell

IT'S ONE of the complaints of the men who look after the nuts and bolts of industry that they don't very often end up running it. Certainly industrial chemists don't. Which is what makes something of an oddity of the industrial cleaning business which Jack Harrison and John Rowsell are running in Sandbach, Cheshire.

The pair of them, now joint owners of a company whose turnover this year is likely to top £350,000, admit that they were extremly lucky when they came to set up in business on their own. Not that the luck was of the obvious variety. John Rowsell left a family business, somewhat hastily, in the aftermath of a spectacular family row; Jack Harrison, a friend from their days of reading biochemistry at university together, determined to go too; and the pair of them decided to set up a company "between the Friday of one week and the Monday of the next, for lack of an alternative." Between them they had, respectively, widespread connec*tions in the beerage and a* certain amount of family money (tied up in shares), and 15 years as a chemist in the beer business worldwide, with some savings out of dollar earnings. They also had no idea what they were going to do.

So they set out to sell their expertise in clarifying liquids, and found themselves supplying seaweed extract to the brewers and enzymes (to improve the yield on maize) to the distilleries. It was a fortunate development. They needed very *little in the way of staff, and* very little in the way of plant (the initial mixing was done, quite literally, in a dustbin). They needed warehousing space, and they found it, at first in a relative's boilerhouse, and later, as the business grew, on the ground floor of the local scouting hut.

They added value to their products in the shape of know-how—John Rowsell claims to have been the first to extract the clarifying agent carrageen from seaweed—and they paid their bills with a view to establishing their credit. It made for a hard start—neither of them took any money out of the business in the first 15 months—but a healthy one. Which was just as well, for towards the end of the 1970s growing competition and a falling pound knocked their established markets for six.

Fortunately they'd already made the decision that it was necessary to start making things, rather than simply merchanting them. But make what? The answer—luck again—was provided by a friend in contract cleaning, *who wanted to know* why he had to pay for American products when the same could be made more cheaply at home. Harrison and Rowsell took those products into the laboratory and proceeded to analyse them—a long-drawn out business: and before they had *finished they knew they could* themselves produce materials to do the job at a very much lower price. And that is how Mayvil Chemicals comes to be in cleaning materials.

The worst of the owners' problems now stem from the taxation of private companies. *As things stand, if they leave* the profits in the business they will be heavily taxed under the close company provisions: if they take them out as income they will be taxed more heavily still. Neither Harrison nor Rowsell has, as yet, much time for Harold Lever and his moves to aid small companies.

A boon for self-employed

THE FINANCE ACT, 1978, which received the Royal assent on Monday, contained one clause which will be to the advantage of the self-employed when they retire. It enables them to take the cash value of their investment in self-employed pension contracts with one company, and to buy the pension from another.

Under a self-employed pension plan, the life company effectively invests contributions in a fund, and at the time of retirement uses the accumulated *value to buy an annuity. Up* to now the investor had to accept the annuity value offered by the life company, and was effectively locked-in. Now he (or she) can select from the best annuity rates on the market at the time of his retirement.

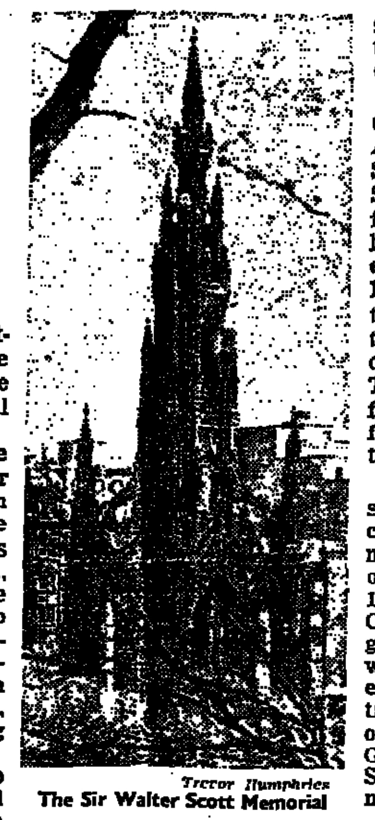
This clause has been completely overlooked in discussions on the Act, yet it represents a considerably better deal for the consumer. To be fair, the previous ruling was imposed by legislation, rather than by a cartel of the life companies, although the Life Offices Association has never sought to have the legislation changed. The impetus has come from the accountancy and legal professional bodies.

To the self-employed, this will mean that they can choose their life company for its investment expertise. Then, having *had the benefit of this, they can* choose again for the best pension. For life companies, it will mean that they will have to watch the market very carefully on pension rates, since they will no longer have a captive market. And for brokers and professional advisers, it means *—potentially—an, opportunity* for further commission, although there is no commission agreement on this switch. The sting in the tail is that brokers may be tempted to switch just to get the extra commission—which is a point for the British Insurance Brokers Association to watch.

TRAVEL

Festive capital

BY PAUL MARTIN



Trevor Humphries

The Sir Walter Scott Memorial

IN JUST over a fortnight Scotland's fair capital city will once again be in festive mood for the 32nd Edinburgh International Festival starts.

While this year's festival, the last to be directed by Peter Diamand, will again include an extensive opera programme with a repeat of last year's brilliant production of Carmen, with Teresa Berganza in the title role and Claudio Abbado conducting the London Symphony Orchestra, and considerable emphasis on the Russian theatre, it will be supplemented, as always, by the ever-expanding Fringe to the Festival.

While Edinburgh tends to burst at the seams at festival time, I was assured last month that the City Accommodation Bureau can still find room for latecomers. A number of residents open their houses to visitors during the festival so, while your temporary lodging may not be in a luxury hotel nor particularly central, it will always be on a bus route. Edinburgh also has a distinct advantage in that it is an easy place in which to get your bearings.

Until my recent visit I had only passed through but what a varied and lovely city it is, a place where nearly every prospect pleases and where the authorities have placed a pretty firm embargo on the horrid rash of impersonal, pre-stressed, high-rise monstrosities which have desecrated the skyline of so many European capitals.

That skyline remains virtually unchanged with the solid mass of the castle and the great esplanade, the setting for the spectacular Edinburgh Military Tattoo, always a major feature of the annual festival. Here, too, are the diminutive St. Margaret's Chapel and the simple but breathtakingly beautiful Scottish Regalia on permanent display.

Edinburgh is really two cities in one, although not geographically set apart as the Cities of London and Westminster. There is certainly a great deal to see and do, a kind of microcosm of Scottish history, along The Royal Mile, made up of Lawnmarket, High Street and Canongate, and leading from the castle down to the Palace of Holyrood House.

If you start at the castle, there is always the consolation that you then walk downhill towards the green open spaces of the extensive Holyrood Park, with its culminating point at Arthur's Seat.

Close to the castle I found a visit to the Outlook Tower, with its Camera Obscura, a fascinating introduction to Edinburgh with a well-informed commentary as the lens, reflecting different areas of the city, revolves to point out the distinguishing features. The Victorians were wizards with the magic lantern!

It would be virtually impossible to list in detail all the museums along the Royal Mile but some excellent leaflets, suggesting places to visit, pubs and restaurants, and walking tours, are available from the Information Office on Waverley Bridge. I was particularly impressed by Lady Stair's House, a 17th century building transformed into a vivid literary museum devoted to the lives and works of Burns, Scott and Robert Louis Stevenson.

When, some 250 years ago, the decision to build the New Town was taken for practical reasons—the gentry of the day wanted to move away from the crowded streets around the castle—that decision gave us some of the finest Georgian town-planning in Europe and on a pretty large scale.

Under the original plan, George Street, linking St. Andrews Square to Charlotte Square, was to replace Princes Street as the main thoroughfare. In the event that did not happen but you can always escape the crowds jostling along Princes Street by crossing over to the nearby gardens behind the massive and somewhat over-ornate Scott Monument near to The Mound, an artificial hill formed when the excavations for the New Town were dumped there.

Robert Adam, the 250th anniversary of whose birth is being celebrated this year, was a mastermind when the building of the New Town started in 1767 and, just as the Victorian Camera Obscura provides a guideline to Edinburgh as a whole, there is an extremely effective audio-visual presentation, dealing with the building of the New Town, at the Georgian House in Charlotte Square, itself one of Adam's masterpieces.

After walking through the lovely series of squares and circuses, down Heriot Row to the sheer perfection of Moray Place—you must use your feet in Edinburgh—you can always retrace your steps to Rose Street, originally built as a service road, and visit one of the many pubs and eating houses.

Outside the city limits, you can go down to South Queensferry and lunch at The Hawes Inn, with its impressive views of the old and new Forth Bridges, and go on to Hopetoun House, where the "Robert in Italy" exhibition provides an insight to the influences that determined so much of the layout of the New Town.

British Caledonian, official carriers to the Edinburgh Festival, who serve an excellent hot breakfast on the morning Gatwick-Edinburgh flights, do operate year-round scheduled services.

If you prefer, as I do, to visit cities once the crowds have dispersed, Edinburgh is, at any season, a rewarding city, full of history, to which I would always return to explore at leisure and in greater detail.

ADDRESSES: British Caledonian Airways, Gatwick Airport, Horley, Surrey. City of Edinburgh Tourist Information and Accommodation Service, 5 Waverley Bridge, Edinburgh EH1. Edinburgh Festival Society, 21 Market Street, Edinburgh EH1 1BW. Edinburgh Fringe Society, Box EP, 170 High Street, Edinburgh EH1 1QS. Holidays in Scotland (Festival City Breaks), PO Box 5, Rye, East Sussex TN31 7AR. Scottish Tourist Board, 23 Ravelston Terrace, Edinburgh EH4 3EU (for details on Edinburgh and the rest of Scotland).

Your weekend £: Austria 27.79, Belgium 62.53, France 8.32, Italy 1,580, Greece 67.00, Spain 144.25, Switzerland 3.2250, U.S. 1.9250. Source: Thomas Cook.

FASHION

The art of bouncing back

BY LUCIA VAN DER POST

IF THERE'S one sure test of the truly well-dressed man or woman it must be whether he or she travels well. I never quite know how film stars manage to arrive at Heathrow looking pristine in white trouser suits. But whatever their solution the only practical one for most of us who have any amount of travelling to do is careful planning.

Nobody likes lugging mounds of luggage and no matter how liberal you are prepared to be with tips, there are not always porters around to be tipped. Therefore a small selection of clothes that inter-links and is washable, needs little or no ironing and can look good in a number of different situations, seems to be the answer.

If you've managed to get these types of clothes together then you're obviously a good traveller. But if you're starting from scratch here are a few suggestions.

Silk sounds a very extravagant material but I have found that it is a lot more robust than it sounds and that it is a marvellous fabric for the travelling woman. Light, soft, easy to wear, perfect for day or evening, it usually washes easily (try, though, to iron it when still damp) and seems to give warmth when it's cold and to be cool when it's hot. Featured here is a jacket made from a truly beautiful silk tweed and lined in pure silk—this makes it incredibly light to wear, almost like gossamer. And because it is made of silk, it looks good worn with day clothes or for evening.

Apart from silk, other fabrics which I have found travel well are silk jersey (particularly good for evening clothes), combinations of cotton and artificial fibres (particularly good is cotton/polyester), pure wool if travelling in winter; cotton jersey is good, too (it creases when packed but the creases mainly fall out when you hang it up) and the ubiquitous cheesecloth travels well, too.

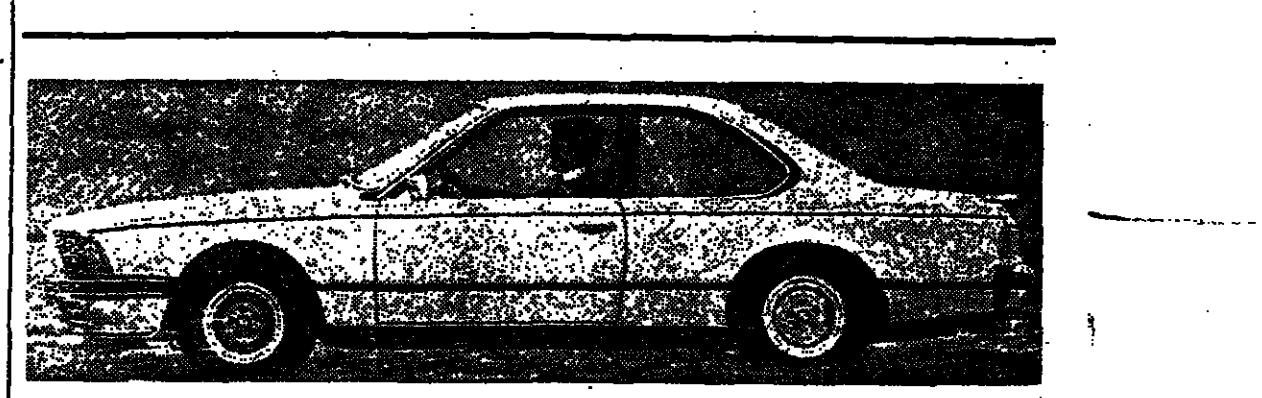
The jacket below left we have had made up in a French navy blue and cream tweed from the range from the Scottish firm of Claridge Mills of Selkirk, which sells at £14.50 a metre (90 cm wide), from Vogue pattern No. 9661, price £1.75), sizes 6-16. A size 10 jacket takes 2.90 metres. We lined the jacket with pure silk which gives it a little more body but it is still very light and soft to wear.

The skirt is made from cream silk noil which is washable and costs £4.50 a metre (112 cm wide). The skirt is made from a Butterick pattern (No. 5389) designed by the American Gil Aimbez. Price 90p, sizes 8-16. A size 10 skirt uses 2.20 metres of fabric. If you can't find either of these patterns locally write to: Vogue and Butterick Pattern Service, New Lane, Havant, Hampshire PO9 2ND. They will send them by post for 10p extra per pattern.

Both fabrics are sold by Liberty of Regent Street and readers who are interested in the silk tweed may like to go along and see the lovely range available. There are more than a dozen different colourways and patterns, ranging from creamy beiges through subtle heathery shades and including the navy blue that we have used.

Worn with the outfit is a silk blouse by Blacks, £24.50 from Liberty of Regent Street. The model's jewellery is also from Liberty's: Pegasus cloud brooch of silver and acrylic, £16 and a Cloisonné and enamel necklace, £50.
Hair by Paulo of Michaeljohn.
Photograph by Trevor Humphries
Drawing by Sumiko.

● The sketch above shows a cotton jersey dress by Peppermint in striped or plain white, rust or khaki. £27.75 from Wardrobe, 19 New Bond Street and Chiltern Street, London W1; Harpers, Edgware; Ricky Beaconsfield, Last Resort, Bath. A glamorous dress (centre) which ties in a simple but effective way. Made from rayon silk (which is very packable and creaseproof) or pure silk, it comes in black and other colours. £42 from Animal Rainbow, 192 Fulham Road, London SW10. Wonderfully useful outfit (right) in cream, black or camel polyester jersey—the creases just shake out. By Domino-D, it costs £28.95 from Fenwicks of Bond Street (60p p and p), Fenwicks of Newcastle and Peter Robinson, Oxford Circus, London W1.



Relaxed at high speed

MOTORING

STUART MARSHALL

THE PLAN was to pick up the cars at Heathrow, drive to Dover, cross to Boulogne and make our way to Antwerp. It's about 300 miles—just enough to get to know a new car reasonably well. We would fly back from Brussels next day.

Alas, it all began to fall apart in traffic tortured Westerham, when the A25 jammed solid for 20 minutes. The next jam was on the A249, linking the M20 and M2. Cars, horse boxes and coaches trying to squeeze into an already crowded Kent County Show brought the dual carriageway to a standstill.

Even so, after half an hour of sitting still and twiddling the radio, we made it to Dover with ten minutes to spare. Naturally, the 11.30 hovercraft didn't run. The 12.30 left late and lunch was two hours behind schedule.

By 4 pm we were on our way again, struggling north on the congested coast road to Calais and, hopefully, the Lille autoroute, Ghent and Antwerp. In Calais, it was the turn of the boats to use the swing bridge and stationary cars stretched glittering in the sun for as far as the eye could see. Had someone forgotten that July 14 was a public holiday in France? They had.

Over the border into Belgium and the roads cleared magically. At last, the BMW 635 CSi could be given its head. Pleading the motoring correspondent's fifth amendment, I shall not incriminate myself by detailing the time it took to get to Antwerp on the lightly trafficked Belgian motorways. Suffice it to say that I am satisfied the 635 CSi can sustain a cruising speed of 120 mph on the autobahn in sufficient silence for the radio to be enjoyed and that I find BMW's claim of a 140 mph maximum believable.

As the type number suggests, the new car is a development of the 633 coupé, with a 3.5 litre engine instead of a 3.3 litre. The engine is a detuned version of the 3.5 unit previously used only for racing. It develops more power (218 bhp against 200 bhp for the 633 CSi) at lower revolutions—5,200 rpm compared with 5,500 rpm. BMW have taken the opportunity to raise the final drive gearing a little and instal their first five-speed gearbox.

The result is a car that is even more relaxed at high cruising speeds than the 633. It also gets from 0-60 mph slightly quicker (7.3 against 7.8 seconds) and does just over 28 mpg at a constant 68 mph.

The gear ratios are fine but the gearshift itself is rather a let down. I found it imprecise, so heavily spring loaded that engaging first or reverse was an effort and with the lever too far forward for a hand to drop naturally upon it. All this is so out of character with the normal high BMW standard that my car might not have been typical though one of their engineers did admit that a bit more gearshift refinement was being sought.

Gear shift apart, the car is difficult to criticise. The suspension is soft enough to give a level ride over poor roads, firm enough for very fast cornering with minimal roll and almost innocent of thumping from the Michelin XWX high-speed tyres. The power steering is ideal. Parking is effortless, town driving is not twitchy and swinging the BMW along a winding road is pure joy. Despite the 218 horsepower it has to transmit, the clutch is silky and as light as a family saloon's.

The engine can hardly be heard at 70 mph in fifth because it is turning over at less than 3,000 rpm. At an indicated 100 mph it is still very quiet indeed and raises its voice only when pushed in the gears close to the recommended rev. limit of 6,500 rpm. Wind noise is never a problem.

The 635 CSi is, I suppose, the answer to those who have complained that the latest generation of BMWs have gone a little soft. The 633, it is true, does not have quite the same taut muscularity as the 3.0 CSi that came before it; the 635, however, does. It is as fast a car as anyone could reasonably want, with quick though disciplined responses and beautiful manners. Small though subtle changes have been made to the suspension which is a little stiffer, though hardly less shock absorbent than the 633's. A massive front-end spoiler and a less conspicuous one at the rear are said to reduce aerodynamic uplift by 15 per cent at very high speeds which improves directional stability and cornering power.

Inside, the 635 CSi has leather upholstered seats that kept me in place during hard cornering, did not feel too firm and proved comfortable during a long day's driving. With some give and take on the part of those up front, the rear seats are not too cramped for adults.

In Germany, the 635 CSi is on sale now for DM 50,000—say £13,000. As the right hand drive 633 CSi costs over £15,000 in Britain, the new car can be expected to be in the £17,500-plus class when it arrives later in the year. It won't be a bargain; just a very fast and wholly civilised car for well-heeled motorists of sophisticated taste.

HOW TO SPEND IT by Lucia van der Post

The European Marketplace

If you're going abroad this summer you may perhaps like to bring back with you some of the best of the local merchandise. As more people travel more often, barriers shrink and it becomes harder to find something that isn't sold in your own high street. Nonetheless, if you know where to look, there are a few things worth looking out for—either because they're cheaper, or better, or just different. I asked writers who live and work in the countries they cover to draw on their own experience of where to go and what to buy....As far as possible I wanted them to cover the major chain-store groups but where these don't exist or aren't very good they've turned their attention to other ways and means of finding the good local bargain.

France

THE quickest way to cross the Channel is to throw yourself into the traffic of Boulevard Haussmann and walk from the Paris branch of M and S on the one side to Monoprix on the other. Although Monoprix is not the height of French fashion, it has things its staid English neighbour has not.

The French chain stores—with the easily confusable names of Monoprix, Prisunic, Uniprix—are much less a standard target for the British visitor to aim for than the London branches of Marks and Spencer's are for the invading French. But depending very much on what you're looking for, they can be a good short cut to shopping in France.

Clothes. It's not easy to find a young Parisienne who admits to buying any for herself in the chain stores. But they do have a hint of flair that their English counterparts don't and fashions make it onto their counters, especially at Monoprix, a lot faster.

Paris hasn't yet had a summer worth displaying its 1978 summer fashions, but you can get a matching loose skirt-and-blouse set off the rack for about £14, which for anything trendy in Paris, is cheap. Baggy sweaters come at £6 to £8 usually in one size only.

Apart from a few front-of-shop items like these, there's not a lot to waste your time on in the clothes sections. Not, so my sources say, the place to buy a dress, or trousers, or shoes. And not for men's clothes unless you've had all yours stolen at the beach and have half an hour to catch a plane.

But the women's underwear is said to be good value (I don't claim to have any first-hand evidence), as are such things as lacy nightdresses. The stores are also as good as anywhere else for messing-about clothes: cheap sports gear, canvas shoes, towels and T-shirts. You can try clothes on, and there is the great advantage of not being bothered by assistants or having to do battle with them as you do in the big department stores.

Chemists' goods. There's usually a good choice of beauty products, among which I'm told Ricils eye make-up, Bourjois lipsticks and creams and (in Monoprix) Roc skin products are good buys. These are often makes that are only on sale in this kind of store. Other brands sell through chemists at higher prices and with annoying and dubious claims that they're better for you.

The chain stores are also good for holiday supplies of the ordinary non-medical things you would normally in England buy at the chemist's, such as toothpaste and shampoo. The French are big on bubble-baths and flannel gloves, which are to face-flannels what the telephone is to smoke-signals. In the Prisunic-type stores you can save up to half the *pharmacie* price, for instance, on cotton-wool or (amazing what working for the FT calls one to turn one's mind to) tampons.

Children's gear. If people look down on buying their own clothes in the chain stores, the same doesn't go for children's clothes—difficult to find in any colours but red, white and blue but they're well-cut and practical. They still make me think of how silly I felt in France in English schoolboy's long shorts.

The chain stores are the obvious places to buy toys and games, although these tend to be more plasticky and shoddy than you would find in England. They stock the obvious kinds of French records, with some discount on prices.

Food. This is where Prisunic comes into its own—cheap and a good selection—but you might do even better if you are in hypermarket territory (that is lost in a suburb while trying to get out of Paris). Carrefour is the standard-bearer of the monster stores, and the French are acknowledged leaders in this sphere of retail science. You can save on some of the basics for self-catering, and get fit running round finding them. But respect the small shopkeeper tradition at least for bread, meat and fish. Things to take home, such as canned regional specialities, pâtés, condiments and, of course, cheeses, can all be bought at the biggest Prisunics and the others. In the hypermarkets, it's cheaper to swallow your snobbery and look out for own-branded goods.

Lastly on the list of what is worth heading for in the chain stores are the household sections, well stocked with Tefal and enamel pots and pans, frying-pans that would do for manhole-covers, electrical accessories, camping stoves and lots of small ingenious kitchen gadgets, the makers of which politely assume you know what they are for.

The main chain stores can be found in most medium-sized French towns and are dotted round Paris. They are fiercely competitive with each other, as down-market offshoots of rival department stores. Prisunic belongs to the Au Printemps group, Uniprix to Nouvelles Galeries Reunies and Monoprix to Galeries Lafayette.

As far as there is anything to choose between them, Monoprix has the best reputation for clothing, Prisunic for food bargains.

At the end of the day, the final edge that the French chain stores have is that they can be persuaded to deliver for you, if necessary to your hotel.

David White

Germany

IF YOUR travels this summer take you to or through West Germany all is not as black as the recent weather. Indeed, despite the decline in most major currencies against the Deutsche Mark it is possible to return with more than just the memory of paying 75p for a bratwurst on the street.

Bargain hunters would do well to take a walk round the major department stores such as the Karstadt or Kaufhof groups which have branches in most major cities.

The main floors of most department stores have large tables of special offers (sonderangebote) from T-shirts to bed linen, coffee pots to socks, pulled over by buyers as if it were the first day of the July sales.

The gift centres in German department stores lead one to think that all their buyers believe baroque is better; gilt tables, heavy pewter, brassy brass with curliques, etc. But if you dig around you may come up with a nostalgie puppe (a doll with porcelain head, hands and feet) as I recently found in *Kaufhof* for a mere £5. Made in the old fashioned way, with a long dress, nostalgie puppen can be found both in gift areas and toy departments from £5 to £50. In the winter the stores are stocked with many more of these dolls; they are more difficult to find in August.

All year round, though, the shelves are stacked with beer krugs. Those with pewter lids start from £12 in the major groups, though at Woolworths and in the tourist areas the same mugs can be bought for £7 or less. Beer mugs without lids in traditional stoneware of blue and light grey will cost £3-£5. I like the stoneware and find the large jugs called "bemble" are super for frosty lemonade. A good authentic bemble, which weighs a ton but keeps drinks good and cold, costs about £10.

The gift centres often have peasant style goods. Hand-painted wooden egg-cups at 75p each can be found in most major stores but in Woolworths cups on a wooden rack and with a timer are just £1.50. A friend of mine always stocks up on continental quilt covers while over here because they are cheaper and come in a huge variety of sizes and patterns.

Small electrical appliances can be a good buy in Germany, so it's worth a walk through the housewares department to see what's around. A Rowenta filtermatic coffee machine making 12 cups was recently selling for £23. Smaller coffee machines are less expensive. A waffle iron can be bought for £15, and a Krups electric citrus press for about £15 as well. Conversion is no problem for German electrical equipment, just change the plug.

I find the German shops are good for buying things for children. Accessories for train sets are good value—one of my most successful buys was a mountain for my son's train surround. Tunnels or mountains cost about £3 or £4; plastic castles, large enough to house several armies, cost from £12, depending on the size of turrets, battlements and whether or not it has a drawbridge. These are available from toy departments in chainstores and from toy shops.

I am not very fond of the chubby cheeks and vacant expressions of most modern dolls, but if you want a doll your child can play with rather than just admire like the porcelain ones, the selection in the department stores is particularly good. I fell in love with a doll whose eyes sparkled; she had high cheekbones and lovely hair and was beautifully dressed. £12 at Hertie.

The famous Stieff stuffed toys sell at a wide range of prices: tiny animals cost £2.50, medium sized are about £8 and a large doe—18 ins tall—costs £23. Stuffed toys not made by Stieff are much less expensive, for instance a big lion can be found for between £5 and £10.

We are a family of hat collectors—Stetsons from the U.S., naval caps from Bremen, bowlers from the City—but our son collects badges to put on his hat. His Alpine hat from Austria boasts a large collection of medals from all over the place. Most high resorts in Germany sell badges and medals to those who walk the forest trails. At 25p to just over £1, these make reasonably inexpensive souvenirs.

If you are looking for a more drinkable souvenir, visit the Lebensmittel (grocery section of the department stores), where you will find a large display of German wines. Very drinkable qualitaets wine can be found from DM 4 to DM 6 (£1 to £1.75). A Muller-Thurgau from Baden is a nice fruity wine; the wines from the Rheingau, particularly Rieslings, are dryer. Hock comes in brown bottles, Moselle in green. If you are a fan of the Blue Nun type of wine, such plonk is available as table wine at about 80p a litre.

Charlotte Hawtin

Jan Wheeler

A—One of a range of 12 exceptionally pretty tea towels. All in Irish linen, and mostly in nice subtle colours. They feature charming designs on themes like weather lore, house plants, herbal teas and grandmother's beauty aids. This one tells you how to dry flowers. 99p from most branches of British Home Stores at the end of August.

B—It's nice to see the chain-stores using more real leather for handbags. This bucket-shaped bag (14 ins x 11 ins) has a silky lining and one inside pocket. In black, brown, navy or natural leather, it costs £21 from selected branches of British Home Stores.

C—A very desirable sleeveless pullover—just the job to pull an outfit together. In Shetland wool, it comes in basic shades of grey or cream with a Fairisle pattern on the front and a plain back. *Sizes 10-18.* It costs £5.99 from major branches of Marks and Spencer.

While some of our foreign correspondents are offering advice to those of our readers lucky enough to be heading for foreign parts, some of us will be left behind. For those who may be taking their holidays at home or feeling in need of a chain-store buy back home to cheer themselves up, here is a group of some of the best things that we could find at our own chain-stores. Marks and Spencer, inevitably, do the traditional lines best—we loved their new collection of corduroys and checks and Fairisles and soft, heathery coloured knitwear. Littlewoods have an exceptionally reasonably-priced collection of sportswear of all kinds—the actual equipment seems to me ideal for beginners but the clothing is smart enough for any standard. British Homes Stores are marvellous (still) for lighting and for general household wares.

D—Detail from a new patchwork design in duvet covers which will start appearing in major branches of Marks and Spencer during August. In polyester cotton, it comes in two colourways: blue and pink with a very little brown, on a cream background, and different shades of green also on cream. £10.99 for a single, £13.99 for a double, the matching pillowcases cost £1.65. In the same design are matching unlined curtains in cotton satin: and a bedspread also in cotton satin.

E—This striking jacket in 100 per cent cotton corduroy seems to me eminently suitable for all our chilly days. It has the fashionable blouson look and would certainly smarten up the jeans and wellies brigade. In brown, rust or camel, it has a detachable hood and toning checked "wooly" lining in the body. The sleeves are lined in a quilted fabric which won't stick to sweater sleeves. Sizes 10-16, £22.50 from major branches of Marks and Spencer.

F—Essentially a beginner's tennis racquet that looks as if it would stand up to a fair amount of schoolchildren's handling. Made from aluminium alloy, it weighs just 12 ozs, and costs £3.99 from those branches of Littlewoods that have sports departments.

G—Overshirt made from polyester which really does feel like silk shantung. Gathered into a soft yoke, the shirt is a good shape for wearing in or out of skirts and trousers. Available in cream, black or rust, and in sizes 10-18, it costs £7.99 from major branches of British Home Stores.

H—A suit hanging case in navy nylon which measures 23 ins x 43 ins (open). It has two zipped pockets and two fixed hangers. Rather large to be carried as cabin baggage, if you wanted to check it in it would be wise to buy a small padlock to *clip together the two interior* zip tags. £8.99 from major branches of Littlewoods.

Greece

VISITORS TO Athens are unlikely to find bargains at the few chainstores there are. These mostly carry a limited variety of foreign-made products (Prisunic for example imports St. Michael goods from Marks and Spencer) and their prices for Greek goods do not differ much from other shops.

Although many of the shops around Constitution Square (the *hub of the city) are tourist traps,* good value for money can be found in the area if one has the time to browse around. Furs, leather goods, Greek fabrics, pottery and ceramics (hand-made *and hand-painted*), Yannena glass, Flocati rugs, brass and bronze items, olive oil and Hymettus honey are good value for money. It is possible to find them at bargain prices without going far afield.

Castor Furs, at 30, Mitropoleos Street (off Constitution Square), offers a wide variety of good-priced furs. Persian lamb coats range from $300 (of pieces sewn together) to $2,000 (for whole skin). Mink coats cost between $600 (from pieces) and $3,000 (whole). The coats can be made to measure in two days. Skins are imported mostly from Canada, the U.S., Iran, and South Africa, but the low cost of workmanship in Greece accounts for the comparatively low prices.

Not so inexpensive but extremely nice pottery, designed and hand-printed by Greek artisans, can be bought at Tanagrea at 15, Mitropoleos Street. Beautiful table lamps cost something between £17 and £29. Dessert sets (six small and one big bowl—no two sets are alike) cost £23.

Nice leather shoes (between £14 and £21) and handbags (between £12 and £29) can be found at Sevastakis at 55 Panepistimiou Street, Gioni, in the arcade at 7 Voulis Street, has sandals and day shoes at £5.65 to £6.50 and women's evening shoes at £10.

A beautiful and useful gift to take back can be found in the wide range of Yannena glass items. The Evzon at 28 Pandrossou Street, off Monastiraki Square, offers a set (a decanter and six cups) of this beautiful coloured glass encased *in a silver-plated metal called* filigran at £22. A medium-sized bowl costs £5.

The same shop also specialises in Greek cotton clothes made in designs from the Greek islands, and in knitwear. Machine-embroidered blouses range from £3 to £7, dresses from £10-£15. A warm knitted cardigan costs £11-£15.

Across the street from The Evzon is Thalassinos which sells Flocati rugs in various colours at £5 a kilo.

Pandoa at 19, Pandrossou Street, sells a wide variety of ceramics made at its own factory. Wooden trays with decorated tile bases begin at £2.60 and go up according to size. Cheeseboards *in the same materials start from* £3.

Alexander The Great, at 42, Pandrossou Street, specialises in brass and bronze products; prices are by the piece not by the *weight. A hand-made brass tray* with hammered design costs £12.

Finally, if you are in a hurry and need to take something Greek back with you, buy a tin (830 grams) of Minerva olive oil at £1.40, or a tin (one kilo) of golden Hymettus honey for £2 from any foodstore.

Nico Michaelian

Cooking with Philippa Davenport

Cook-ahead dishes, like the quickie dishes I wrote about recently, are ideal for holiday eating, and everything in my suggested menus this month falls into one or other of these categories.

Suggested menus for August:

Cucumber with herbs
Pork tonnato, salad of lettuce hearts, French bread
Barbados peaches

Tomatoes stuffed with walnuts, basil and cream cheese
Grilled chicken with herbs, rice and spinach salad
Peach Melba

BARBADOS PEACHES

A completely cold meal on a cold summer's day can get a chilly reception and, since the weather seems particularly unreliable this year, it seems a wise precaution to plan on serving at least one hot course at each meal.

Peaches are not often served hot but I love them this way and the heady scent and spicy warmth of Barbados peaches is fast proving popular with my friends. It's a practical dish for entertaining too. The fruit can be prepared in advance; if you add the toppings and put the dish into the oven when you *take the main course into the* dining room, the peaches should be ready just when you are ready for them.

Skin, halve and stone at least one large ripe peach per person. Lay in a single layer in a shallow baking dish and sprinkle with a little fresh orange juice. Cover and set aside at this stage if preparing in advance.

Just before cooking dust with soft brown sugar mixed with a good flavouring of ground cinnamon and cloves, and top with large flakes of unsalted butter (I allow a generous tablespoon of sugar and a good half ounce of butter for each peach). Bake, uncovered, at 350 deg. F., gas mark 4, for about 25-30 minutes.

PEACH MELBA

Peaches should be in excellent condition this month, widely available and reasonably priced. The freestone varieties are easiest to halve and stone cleanly, and perfectly ripe fruit skins easily. If the peaches you buy are slightly under-ripe, plunge them whole into boiling water for a few seconds: this will loosen skins making them easier to peel without wastage of flesh.

Skinned, halved and stoned peaches served raw (or lightly poached in vanilla syrup if slightly under-ripe) and coated with a fresh raspberry pureé lightly sweetened with icing sugar, à la Melba, are a delectable treat. It's traditional to serve this dish with icecream but I think this detracts from the exquisite fruit flavours.

PORK TONNATO

Vitello tonnato is one of my favourite summer dishes—but veal is regrettably too expensive to eat often so I have been trying some substitutes. Poached, skinned, boned and slivered chicken is good with this delicious tuna and anchovy mayonnaise sauce; pork fillet is even better—the flavour is excellent and the tiny neat slices look most attractive.

You need two or three pork fillets to make up the 2½ lb meat needed to serve six-eight people *as a main course.* I think larding pork with anchovies is unnecessary, but it is a good idea to trim away any fat and sinew and to tie each fillet with a few pieces of string to keep it in a neat bolster shape during cooking.

Colour the pork in butter, place on a bed of chopped and browned vegetables, pour on enough good stock or dry white wine to come halfway up the vegetables, cover and braise for about 1¾ hours at 325 deg. F, gas mark 3. When the meat is quite cold, remove string, carve thinly *and coat with sauce in the usual* way.

Spain

SPAIN HAS an undeserved reputation for being cheap, largely as a result of package tours, cheap booze and tobacco. The Spaniards themselves however, who in the unlikely event of wanting to spend two weeks in Benidorm or Torremolinos would have to fork out nearly twice as much as the British, have never agreed that this is so since they live, work, spend, and watch prices rise in Spain all the year round.

Clothing, for example, though *well-made and generally* attractively designed, is expensive, and it is unlikely that the package tour equivalent of the cross-Channel raid on Marks and Spencer will become a feature of Spanish life. But if you need to buy clothes, then it is easiest and cheapest to shop in one of the major chain stores to be found in the main Spanish cities: "El Corte Ingles"—which translates as the "English cut," (be prepared to come across imitation, Scotch House and tweed jackets that would set you back £60-£70) and "Galerias Preciados" ("Jorba Preciados" in Barcelona).

A man's suit there would cost you around £70, a blouse and skirt between £35-£40, and a very ordinary shirt, from £6-£8. However, these two department stores are useful in that they have virtually everything, and the item left at home in the last minute rush can be easily located there. Furthermore, with an *average of three sales* (rebajas) a year, things like an additional shirt or blouse, a swimsuit or a pair of shorts or jeans, can often be bought at a reasonable price.

What is worth buying in Spain are shoes, boots, and small leather goods like bags and belts. A well-styled, hand-made pair of men's or women's leather shoes can be bought for £15-£20, while a deerskin bag can cost from as little as £10. For these it is best to look through the shoe shops and avoid the large stores. There should be little problem finding them, since shops in general, but shoe shops in particular, tend to be clustered together—a surviving feature from Spain's early, and on present evidence only, urban planners, who handed over a street to each guild, be they cutlers, drapers, candle- or shoemakers.

Another thing to look out for is the pottery. Spain has no especially well known ceramic *producing area—Toledo, and the* East coast from Tarragona to Valencia are probably the most widely known abroad—but does turn out attractive, well-made and cheap pottery, with a distinctive regional character. A tea-set, for example, can be had from around £8-10, and a set of salad dishes from as little as £7-8. Pottery is often found by the roadside—on the road to L'Escala on the Costa Brava, for example, or on the road south from Seville—or, particularly in Andalucia, in specialised shops. Failing that, the chain stores and most supermarkets carry a standard range, but shops in tourist centres are to be avoided.

Spain also has more than its fair share of painters, particularly a large number of exiled Latin American artists. All the big cities, and most towns of any size, have a large number of exhibition galleries, which are worth a visit *if* you are looking for a couple of moderately priced paintings to complete your sitting-room. Also, many villages have a local painter. If you happen to be in a village bar, and see a series of paintings that you like, then you may have struck gold.

Foodwise, if you are self-catering, then there is little need to bring anything, except perhaps your percolator (the coffee is cheap), and some tea (good tea is expensive—the milk is expensive and execrable, but there's nothing much you can do about that short of bringing your own cow).

Rather than supermarkets, Spain goes in for mini-markets which are really just well-stocked shops. This is doubly true outside the cities. Canned fish *and vegetables (such as* artichokes and asparagus) are good buys, while the delicatessen to be found in most mini-markets is worth a visit. Not to be missed there is the mountain-*cured ham (jamon serrano),* while Spanish patés and cheeses are very underrated.

Useful standby items are a wide range of packet soups (Gallina blanca and masso are the best), jars of chick-peas, olives, etc., which go well with salads, and in fact, the normal range of instantly preparable foods to be found in English supermarkets.

David Gardner

Italy

THE MUCH longed-for summer has finally arrived in Italy, albeit very late *this year. Until a* couple of weeks ago sales were very poor in most shops, mainly because of the weather, but this is now good news for those of you who may find yourselves in Italy in the next few weeks. Even though we are now at the beginning of August there is still a large and varied selection.

The chain stores—La Rinascente, Standa, Upim and Coin are Italy's most important ones—and other shops which still have masses of their summer lines are in a big hurry and are offering remarkable bargains.

To my mind Milan offers the best shopping. Via Montenapoleone is one of the best streets in the world for haute couture, and excellence in all items (prices accordingly) including delicatessen (salumeria) that is mind boggling even to those who are not gourmets. It is a richer city than Rome since it relies economically on the industries of the *North of Italy* while Rome depends mostly on tourism. Consequently the chain stores of Milan offer more choice—La Rinascente is the equivalent of Harrods. In Rome the *differences between La Rinascente* and the other chain stores, Standa, Upim and Coin still holds but to a lesser degree.

If you go into any of the 16 Standa stores in Milan you will *at once be assailed by the* romantic look, which pervades the stores. There is a vast collection of Leghorns, the Florentine straw-hats, embroidered and flowered and *selling* for about 95p. *Displayed* with them are straw bags in several shapes, styles and prices (from £1.28 to £6.00). The bags are mainly very large and practical and can be used both as sophisticated beach bags or extravagant shopping bags.

Continuing with the romantic theme, Standa is selling gorgeous cheesecloth white blouses for about £6 and for your child, if you—and she—feel like coping with it, there is delicate linen, made into nicely embroidered tops for £3.85.

Upim's Milanese branches are a good source of inexpensive accessories. Narrow sunglasses, in the Fifties style, with black or mother-of-pearl frames for £1.30 nicely match cute multi-coloured sunvisors for the same price.

As a tribute to the revival of shells, Upims' buyers have found and chosen the prettiest ones, made into necklaces that go well with sandals made in natural coloured material and cord for an up-to-date contrast (shell necklaces are 95p and sandals about £5.70).

If you're planning a seaside *holiday* then *the thing to look* out for is Upim's swimwear collection—in Italian styles and colours, costing from £5.00 they are outstanding value for money. A sweet idea for babies is the collection of delightful bathing suits in spongey material for £1.60.

Fashion is nicely displayed at Coin stores—the military look, *in military colours, is the current* rage. Coin has become immensely popular, especially among young women in their early 30s, because it has a reputation for being bang up-to-date. The danger is that you'll be tempted to spend a fortune there as bargains like 50s style blouses at £1.30, American Graffiti-style skirts in printed satin for £6.00 and old neckties at 65p each, are hard to resist.

Coin stores have a special department for teenagers where military accessories are selling fast; cloth desert boots are the best-seller at the moment at £5.40. Handy string-bags (for carrying off all those bargains) are only 80p and come in red, yellow, green or blue.

The great novelty this summer in men's sportswear is the new Alfa Romeo line. This year, in fact, this world-renowned Italian car company *not only had good* results in the Formula I World Championships (thanks also to Brabham and Niki Lauda) but it has also sponsored a complete fashion line.

In Coin's menswear departments the major items are sports hats (£2.90), umbrellas (£7.40), cardigans (£12.20) and waterproof cotton jackets (£14.80) all carrying a small four-leafed clover, the famous Alfa Romeo symbol.

BARGAIN hunting is all part of being a tourist in Italy and because the Italians are aware of this they do their best to make sure that there are all sorts of goods available for every tourist and to fit every pocket. In Rome the rich tourist can be seen rushing in and out of Gucci's or Bellini's on the Via Condotti. The Via Condotti is in an area renowned for its expensive shops, although for every chic (i.e. expensive) shop there is a moderately priced one as well.

In the expensive shops the clothes, shoes, and household *furnishings* are delights to look at and tempting to buy. I suppose if one has the money and doesn't care about the price, almost anything one could find there would be of good value (never forget to ask for a discount—you'll get one).

However, the average tourist *like you and me only looks longingly* in the expensive shops to get ideas—strands of coral beads are now the rage, for instance—before moving on to the smaller neighbourhood boutiques where *bargains can be found (always* ask for a discount there too) or on to the chain stores.

La Rinascente is the best chainstore in Italy. Consequently it offers a wide selection of articles from all over the world as well as some of the best of what Italy has to offer, not only in clothes but in household items as well. The clothes are trendy and chic and a cotton dress mass-produced will cost roughly £20 which I think is a bit expensive when a similar dress will cost roughly £18 in a neighbourhood boutique and will have the advantage of not being so obviously mass-produced.

Some examples of the goods available from Rinascente are: a man's pure cotton suit, £89, pure cotton shirts from £5.50, leather handbags for men from £16, silk ties from £4. Ladies' umbrellas cost from £3.80, leather shoes from £20; children's cotton dungarees cost £8 and embroidered cotton girl's dresses cost £4.

Standa, Upim and Coin are not as trendy as Rinascente but without a doubt they offer super bargains for children and sometimes in accessories for women. They all offer bargains for adults and children in simple pullovers—about £2 for children, about £4.50-£5.75 for adults. Sandals and bathing suits for children are very good buys; the sandals sell for around £1.30 and bathing suits will cost between £1.30 to £4.50 depending on the size of the child.

Sandro Liberali in Milan and Elizabeth Goold in Rome

ARTS

Mireille and Samson et Dalila

PROVENCE

MAX LOPPERT

The small Provençal city of Carpentras lies drowsing between the foothills of Mont Ventoux and the Plateau de Vaucluse, tranquil to walk about in, stimulating and rewarding to explore. Within its walls the long echo of Provençal history seems to be captured with greater clarity and fullness than in the more spectacular and more beautiful great cities further to the south and west.

Many factors, physical, geographical and cultural, combine to make the city a good place for a summer festival. This year, at the 26th Festival Vaison-la-Romaine-Carpentras, opera was added to the attractions, a wooden amphitheatre being erected in the courtyard of St. Siffrein Cathedral for the purpose. Gounod's *Mireille*, in a production by Jean-Claude Auvray conducted by Roberto Benzi, marked the start of Carpentras' outdoor operatic activities.

Mireille is not an "important" opera, not a searching, profound, or life-enhancing experience, but a minor work of much freshness and charm, with a vein of real lyric tenderness in its melodic invention, and a lack of artifice that readily endears it to the listener. There are obvious reasons for giving it in Provence. The work is set in and around Arles—the Crau, the church of Saintes-Maries-de-la-Mer, and the Val d'Enfer at Les Baux are some of its settings. (In 1954 the Aix Festival mounted the work *in situ*, as it were, in a theatre constructed amidst the rocks of the Val d'Enfer, where in the opera the *gardien* Ourrias meets his end.) It is based on Frédéric Mistral's famous long poem *Mirèio* (1859), written in Provençal, and the work responsible above all others for the 19th-century renaissance of the language after centuries of decline and decadence. (For the non-native, struggling, in French translation, with its 12 long *cantos* of flat diction, pious sentiment, and lifeless characterisation fleetingly relieved by the store of Provençal lore and legend discursively introduced into the poem, there comes to mind a very loose parallel with Manzoni's *Promessi sposi*, another 19th-century work of great nationalist import, today more notable for historical significance than for continuous liveliness.)

Mistral gave his blessing to the proposal of a *Mireille* opera, and Gounod composed most of Carré's libretto in "pure and beautiful" Provence, as he called it. Into the musical fabric he wove strands of local colour — the rhythms of the *farandole* and the *musette*, touches of reedy piping in the orchestration, the *mélodie provençale populaire*, "O Magali" as a recurring musical episode — with a delicacy of touch hardly equalled or surpassed in his other operas. But for all that, *Mireille* cannot really be considered Provençal to the core in the way Bizet's *L'Arlesienne* Incidental Music must be. It is not similarly penetrated with that sun-baked concision and clarity of gesture that characterises the mature art of the younger, greater French composer. The best things in the opera — tunes such as the shepherd's song, the heroine's "Heureux petit berger," Vincent's *cavatine*, "Anges du Paradis"—are best Gounod, with the effect of a greater sweetness in the melody than the simple lie and cut of the phrases would seem to allow. The less good things, the religiosity and bombast of Mireille's death, are also typical Gounod, though far less insisted upon than in *Faust*.

The opera, a simple tale of young love and parental disapproval, was not a success at Opéra-Comique, where it was first given, in 1864. Miolan-Carvalho, the first Mireille, demanded, and won from Gounod, major revisions—recitatives instead of spoken dialogue, a shortened three-act form instead of the original five, a happy end instead of a sad (after the stabbing of her lover Vincent by the jealous Ourrias, Mireille walks bare-headed through the Crau to pray at the Saintes-Maries, and dies there of sunstroke). In neither form is the work a wieldy dramatic entity. The original, to which most 20th century revivals, including Carpentras, return (though without spoken dialogue), prolongs Mireille's torments beyond the limits of dramatic interest, while in three-act form, with a happy end, there is a central lack of substance and contrast in the plot. After the first act, one wonders why the work is not more often given, why it has failed to displace the still-enduring *Faust*, why the ENO plan to give *Roméo et Juliette* in a future season. By the end, regretfully, and for all the passing musical delights, such questions have been answered.

The first Carpentras performance was given under difficult conditions. The dress rehearsal was to have been recorded for television; but the poet's namesake wind, the *mistral*, was up, and filming was impossible. For contractual reasons, the presence of cameras at the première was therefore obligatory; by them, and by what was now a still vigorous *petit mistral*, the production was considerably disturbed. Cameramen scuttled across the front of the stage, hats and scarves were whipped off into the pit, and the television lighting reduced all scenes to a single, monotonous midday glare. There were signs, particularly in the outbreaks of symbolitis that seem to afflict all Auvray productions (bits of business with a blind peasant, the manifestation of Figures of Doom in Ourrias' and Mireille's death scene, and so on), that even without the burdens of wind and camera this may not have been an ideally natural or simple staging. Hubert Monloup's costumes hardly suggested that he had spent long hours in the Muséon Arlaten at Arles, getting the details right—if money was short, why lash it out on such cumbersome, unpleasant-looking rocks-on-trolleys as those of the Crau settings? And why deprive Ourrias of his trident?


Elena Obraztsova

Yet it was, despite all this, an evening of great pleasure, for the provision of which the musical side of the performance must take most of the credit. Benzi conducted the Choirs and the New Philharmonic Orchestra of Radio France with the sort of tactful mastery that unassumingly solved every hazard outdoor opera can offer. Danièle Parirers, a soprano familiar at Glyndebourne, took the title role—too fine-featured and "urban" in looks and manner, but well-able, with a voice grown in size and range of colour, to deal gracefully with a demanding role, which begins in florid bravura and ends with the testingly dramatic "Voici la vaste plaine." The Italian tenor Aldo Filistad, older than his looks to judge from his Press handout, was an appealing Vincent, with tone both smoky and sweet, honestly if not elegantly used. Michèle Vilma (expert in Taven's *chanson*), Ernest Blanc (still a powerful Ourrias), Marc Vento as Mireille's father, and Christine Barbaux and Véronique Dietschy in *dugazon* roles, filled out a well-chosen cast, in which the only inadequacy was a weak voice for the beautiful shepherd's song.

A day later, the wind had died down for the first opera of this year's Orange Festival. Elena Obraztsova, Domingo, Barenboim conducting his Orchestre de Paris, a DG recording in the offing—this was a luxury-product *Samson et Dalila*, and also, intermittently, a disappointing one. The abiding disappointment is always Saint-Saëns' opera itself, with its few good numbers set amidst a welter of carefully composed tedium. (What a thoroughgoing academician the god Dagon must be, that he demands celebration, by Delilah and the High Priest, in tidy two-part canons!) But the spectacle, organised by Carlo Maestrini in designs by Fiorella Mariani, settled for some striking tableaux interspersed with a miscellany of *grand opera* cliché. The ballet, by Felix Blaska, was comic in its awfulness.

Domingo was not in best voice. The sound was clear, but held back, never able to flood out as so thrillingly it can. (The contrast with Siegmund Nimsgern's full-voiced, finally monochrome High Priest was immediate and telling.) I was hearing the Russian mezzo-soprano in the flesh for the first time. Records have not yet done full justice to the "clang," the depth, the lustre of her tone—"Printemps qui commence" was a glorious amalgam of softly threatening sensuality and smooth line. But by Act 2 she too had begun to seem monochrome, a question of persistently muffled words, also of faltering rhythmic sense. She played the part as a Rita Hayworth siren with touches of Dietrich, filtered through Bolshoy tradition. The principal rewards of the evening were the sight of the Roman arena itself under starlight, and orchestral playing of extreme refinement and grace. If Barenboim is not yet a fully-fledged opera conductor—his command of dramatic tempos is not always absolutely acute—he is well on the way to becoming one.

Taormina Festival of Nations

CINEMA

NIGEL ANDREWS

A favourite pastime of British film critics, when sequestered in London for a long stretch of domestic filmgoing, is to invent the perfect imaginary film festival. Locations vary from Hawaii to the Greek islands to the Swiss Alps, but two criteria are constant and essential: exotic surroundings and a humane, digestible schedule of good films.

Little did any of us know that this pipedreamer's Utopia already existed. The Taormina Film Festival has been going for 23 years, but for only nine of those has it been competitive, and this is the first year that British critics have been invited as a group. Taormina itself, perched on the east coast of Sicily, is one of the great beauty spots of the world.

Mount Etna casts a stern, admonishing eye on the sybaritic delights below, and occasionally rumbles in disapproval. But though last year it actually erupted at the beginning of the festival, this year it has shown clemency. The festival deserved it. For although the standard of competition films could be improved, and so could one or two administrative details (the subtitling of all films in Italian leaves the English-speaker at a loss, and transport is a problem in such a sprawling, wide-flung town), Taormina has long overtaken Venice as the main Italian festival and is unsurpassed as a place to meet film-makers and fellow journalists.

Among the movies, the biggest popular hit was an Australian film, Phillip Noyce's *Newsfront*. This fictionalised account of the rise and fall of the newsreel industry in post-war Australasia was a success at Cannes and an even greater one here: and it comes to Britain in November to open the London Film Festival.

In focusing on newsreels, Noyce has chosen an area of movie-making in which intrepid camerawork was often wedded to resoundingly platitudinous commentary: and the triumph of the film is that it captures both extremes. The heroism is there in scenes of on-the-spot reportage in burning forests or at political riots (and in the story of one young cameraman who is swept to his death while filming in a flooded town), and the banality is there—satirically—in the constant head-office stress on tying the visual material to fulsome editorial *sententiae*. Shot partly in colour, partly in black-and-white, and effectively deploying real newsreel footage of the period, *Newsfront* is well acted, wittily written and deserves a widespread success.


Joan Greenwood and Kenneth Williams in Britain's entry "The Hound of the Baskervilles"

So does Jon Jost's *Chameleon* from America, although its more experimental form may daunt potential distributors. The film cost a mere $35,000 to make and shows a courageous disregard for movie orthodoxy. At the same time it has a visceral immediacy lacking in nearly all its Competition rivals. Jost's day in the life of a mean Los Angeles hustler (Bob Gaudino) is a cautionary tale about the self-destructiveness of American opportunism. The main character—hero or villain, according to taste—moves reptile-like through a land of easy-prey gullibility, sucking dry his victims and his own humanity alike. The film is packed with bold visual metaphors—when a gun is fired, the whole screen explodes into white; when the hustler changes his "act" for different clients, the screen chameleon—like changes its colours—and it is a nervy, intelligent, exciting advance on Jost's last film *Angel City*.

Shown outside the Competition was Ahmed El Maanouni's *Alyam Alyam*. European audiences need to slow their pulse rate to watch this Moroccan film, which unfolds at a contemplative snail's pace. But patience is rewarded. The semi-documentary story of a peasant village living an arduous, sun-baked life off the land is built up with blocks of colour as bright and four-square as children's bricks: a splash of gold as peasant women sit in the noon-day street gossiping, a splash of red as two sunburned workers sift carrots in a giant trough. The central tale of a young man who saves money to leave the village and emigrate to France is told almost entirely in voice-over while the timeless, cyclical images of farming life continue on the screen. The film begins by irritating the spectator with its slowness, and ends by holding him in hypnotic thrall.

The reverse is true of this year's Grand Prize winner *Il Regno di Napoli (The King of Naples)*, made in Italy by the young German director Werner Schroeter. As a stylist, Schroeter's speciality is a florid theatricalism verging on, and sometimes toppling over into, high camp. No surprise, therefore, that his style is instantly at home in the land of Federico Fellini. Indeed Schroeter's chronicle of low-class life in post-war Naples, given a patina of political comment by "chapter headings" that recount the progress of Communism in Italy at the time, is like an episode from Rossellini's *Paisa* that has caught a dose of Fellini elephantiasis: scarlet-dressed prostitutes and primping homosexuals abound, and there is a general air of exuberance-at-all-costs.

I still liked it more than this year's Special Jury Prize winner, *Legato*. Directed by Istvan Gaal, this Hungarian chamber-film tells of a young man's quest to discover the truth about his now-dead father. Was he a hero in the war, or was he a traitor and collaborator? He meets and talks to various former friends of his father—including a trio of old ladies whose house he stayed in at the end of the war—and the story teasingly makes us wonder whether his search will end in enlightenment or deeper mystification. But there is something fatally academic about the film. It is based on a play and has that musty, second-hand look that often clings to stage adaptations: and while the three old ladies have a certain dotty charisma, in the nostalgia-and-old-lace tradition of Hungarian cinema, the rest of the characters seem to be moving dimly about in search of a motive and a personality.

Elsewhere in the competition movies had an odd habit of coming in pairs. One evening there was a brace of films about abortion: on another there were two political thrillers (one of the Losey's *Les Routes du Sud*, which I wrote about from Paris): on a third there was a double-bill of films about prison life. Of the last pair, the Japanese film *Third*, directed by Yoichi Higashi, made a strong impression. It is the jigsaw-structured story of a boy's attempts to adjust to the reality of a long sentence for murder, his life in a juvenile prison being intercut with flashbacks from the days of casual delinquency that led to his crime.

Britain was represented outside the Competition by *Jabberwocky* and *Jubilee*, both already seen in London, inside by *The Hound of the Baskervilles*. A programming collision made me miss the first half-hour of this all-star Sherlock Holmes spoof, directed by Paul Morrissey (of Andy Warhol fame) and starring Peter Cook, Dudley Moore and every British comedian you can think of in the next 30 seconds, but the final hour is good value.

Conan Doyle would spin in his grave — indeed probably is doing—at the idea of a Jewish Sherlock Holmes (Cook) with a smother-loving mother (Moore) who pursues him from case to case, and calls him "Sherl" and his friend "Watty." Not to mention such embellishments as Joan Greenwood playing exorcist-style demoness, complete with rolling head and *basso* laughter, or Denholm Elliott as a rural dog-fancier whose incontinent chihuaha sprays passers-by with an unceasing golden jet. The influence of the *Carry On series*, of which Morrissey is an avowed admirer, is clear upon the film. But if burlesque is the highest form of flattery, this is one of the livelier movie tributes that Conan Doyle and the famous Baker Street sleuth have received.

TV/Radio

† Indicates programmes in black and white

BBC 1

7.15-8.30 am Open University (Ultra High Frequency only). 9.0 Ragtime. 9.15 Scooby Doo. 9.35 Why Don't You . . .? 10.00 Rockface. †10.25 Charlie Chaplin in "Triple Trouble." 10.53 Weather. 10.55 Golf: Colgate European LPGA Championship.

12.30 pm Grandstand: The XIth Commonwealth Games (12.35, 1.55, 2.55). Golf (12.35, 2.55) Colgate European LPGA Championship; Racing from Haydock Park (1.40, 2.10, 2.40); Show Jumping (2.25, 2.55) The Lambert and Butler Masters; 5.10 Final Score including racing results and cricket scoreboard.

5.20 Emu's Broadcasting Company (BBC-1)

5.45 News

5.55 Sport Regional News.

6.00 Wonder Woman

6.45 Saturday Night at the Movies: "Rio Conchos" starring Richard Boone.

8.30 Seaside Special from Torbay

9.20 Kojak

10.10 News

10.20 Sailor

10.30 The Expert

11.40 Stuart Burrows sings ballads, songs, operetta and grand opera

All Regions as BBC-1 except at the following times:—

Wales—8.50-9.15 am Hobby Horse. 12.10 am News and Weather for Wales.

Scotland—12.10 am News and Weather for Scotland.

Northern Ireland—5.55-6.00 pm Northern Ireland News and Sport. 12.10 am News and Weather for Northern Ireland.

BBC 2

7.40 am-2.45 pm Open University

3.00 Saturday Cinema: "Thunder in the Sun" starring Susan Hayward

7.15 News; sport

7.30 Network

8.00 Rhythm on 2 Special with the Royal Scots Dragoon Guards

8.30 Discrimination: A report on racial discrimination in employment

10.00 Golf highlights

†10.50 Monster double bill: "White Zombie" starring Bela Lugosi

11.55 News on 2

12.00 Monster double bill: "House of Wax" starring Vincent Price

LONDON

8.50 am The Saturday Banana with Bill Oddie, part 1. 8.55 Sesame Street. 9.45 The Saturday Banana, part 2. 10.15 The Monkees. 10.45 The Saturday Banana, part 3. 11.30 Space 1999.

12.30 pm World of Sport: 12.35 International Sports Special (1) Motor Cycling—Finnish Grand Prix from Imatra, Finland, plus Banger Destruction Derby from Ipswich and the Australian Pools Check; 1.15 News; 1.20 The ITV Seven — 1.30, 2.00, 2.30 and 3.00 from Newmarket; 1.45, 2.15 and 2.50 from Redcar; 3.10 International Sports Special (2) Speedway from Leicester. 4.00 Wrestling; 4.55 Results service

5.05 News

5.13 Cartoon Time

5.30 Happy Days

6.00 Doctor on the Go

6.30 The Life and Times of Grizzly Adams

7.30 Mr. and Mrs.

8.00 3—2—1

9.00 "Reflections of Murder" starring Tuesday Weld, part 1 (film made specially for television)

10.00 News

10.15 "Reflections of Murder," part 2

11.00 Look Here: The Fourth Channel

11.45 Revolver

12.30 am Close—a painting by Turner and music by Vaughan Williams

All IBA Regions as London except at the following times:—

ANGLIA

9.00 a.m. Undersea World of Captain Nemo. 9.20 The Next Week Show. 11.30 Tarzan. 5.00 p.m. The Rolf Harris Show. 7.30 Gambit. 11.00 Revolver. 11.45 At The End of the Day.

ATV

9.05 a.m. The Shape of Things. 9.30 Sesame Street. 10.30 The ATV Saturday Morning Picture Show 10.40 Thunderbird 6. 12.15 p.m. The Super Serial Mystery Island. 5.15 The Life and Times of Grizzly Adams. 6.15 Mr. And Mrs. 6.45 Father Dear Father. 7.15 3-2-1. 8.15 Saturday Cinema: "When Eight Bells Toll," starring Robert Morley and Jack Hawkins. 10.15 Soap. 10.45 The Law Centre.

BORDER

11.30 a.m. Tarzan. 6.00 p.m. Mr. and Mrs. 6.30 Bionic Woman. 7.30 Oh No! It's Selwyn Froggitt.

CHANNEL

12.18 p.m. Channel Lunchtime News and What's On Where 6.32 Backs to the Land. 7.30 Father Dear Father. 11.00 Law Centre. 12.00 The Electric Theatre Show: Dustin Hoffman.

GRAMPIAN

9.10 a.m. Talking Bikes. 9.35 Scene on Saturday including Birthday Greetings and Cuir Car. 10.05 The White Stone. 10.30 Sesame Street. 6.00 p.m. Mr. and Mrs. 7.30 Backs to the Land. 11.05 Revolver. 11.45 Reflections.

GRANADA

9.30 a.m. Sesame Street. 10.25 Breakers. 10.55 Saturday Matinee: "Seven Ways From Sundown," with Audie Murphy. 6.00 p.m. Mr. and Mrs. 6.30 Backs to the Land. 7.00 The Bionic Woman. 11.00 Revolver. 11.45 Gibbsville.

HTV

9.15 a.m. Old House, New Home. 10.15 Batman. 11.30 Beachcombers. 12.00 Lassie. 5.30 p.m. Cuckoo Waltz. 6.00 Happy Days. 7.30 Definition

HTV Cymru/Wales—As HTV General Service except— 5.30-6.00 p.m. Sion a Sian.

SCOTTISH

9.10 a.m. Talking Bikes. 9.35 Sean the Leprechaun 11.35 The Bionic Woman 5.30 p.m. Phyllis. 6.00 The Cuckoo Waltz. 11.00 Revolver. 11.45 Late Call.

SOUTHERN

11.30 a.m. Tarzan. 12.25 p.m. Regional weather forecast. 5.30 Lassie. 6.00 Mr. and Mrs. 6.30 Happy Days. 7.00 The Life and Times of Grizzly Adams. 11.00 Revolver. 11.45 Southern News. 11.50 Havoc.

TYNE TEES

9.05 a.m. Lucan. 9.50 The Paper Lads. 10.15 Clapperboard Special. 10.45 Saturday Morning Film "Three Guns For Texas." 5.30 p.m. Laverne and Shirley. 6.00 Mr. and Mrs. 6.30 The Bionic Woman. 7.30 Backs to the Land. 11.00 Within These Walls. 12.00 Epilogue.

ULSTER

10.00 Saturday Morning Movie: "Four Against the Desert." 11.30 Sesame Street. 6.00 p.m Oh No! It's Selwyn Froggitt. 10.12 Sports Results. 11.00 Revolver.

WESTWARD

9.15 a.m. Talking Bikes. 10.15 Survival. 10.40 Look and See. 11.30 Gus Honeybun's Birthdays. 11.35 Code "R." 6.00 p.m. Backs to the Land. 7.30 Father Dear Father. 11.00 Law Centre. 12.00 The Electric Theatre Show. 12.30 a.m. Faith For Life.

YORKSHIRE

9.10 a.m. Talking Bikes. 10.15 Extra-ordinary. 11.30 Code R. 6.00 p.m. Mr. and Mrs. 6.30 The Bionic Woman. 7.30 Backs to the Land. 11.00 Revolver. 11.45 The Bob Newhart Show.

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 8.06 Ed Stewart with Junior Choice (S), including 8.32 Cross-Channel Motoring Information. 10.00 Adrian Juste. 12.00 Paul Gambaccini. 1.31 Rock On (S). 2.30 Alan Freeman (S). 5.31 Robbie Vincent with soul and disco music. 6.30 In Concert (S). 7.30-2.02 a.m. As Radio 2.

RADIO 2 1,500m and VHF

5.00 a.m. News Summary. 5.02 Tom Edwards with The Early Show (S), including 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Commonwealth Games Sports Desk. 10.10 Tony Brandon (S). 12.02 p.m. Two's Best (S). 1.02 Offbeat with Braden (S). 1.30-5.55 Sport on 2: Commonwealth Games Special (1.30, 2.00, 2.55, 5.00); Racing from Redcar (1.30, 2.10, 2.45, 3.45 with a classified check at 5.40); Show Jumping (1.30, 2.20, 2.55, 3.55) The Lambert and Butler Masters; Cricket (1.30, 2.20, 2.55, 3.55, 5.00, 5.40) New Zealand v. Lancashire plus news of other games; Motor Cycling (1.30, 2.20, 3.55, 5.30) The John Player Grand Prix; 6.03 Cross Channel Motoring Information. 6.04 Pop Over Europe. 7.02 Des O'Connor Entertains. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.35 John Marson on the harp (S) 8.30 The Tony Evans Orchestra in Band Parade (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Edmonton 78 with Terry Wogan. 2.00-2.02 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

†7.55 a.m. Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.00 Unknown Schumann? (S). 11.10 Choral and Orchestral Concert part 1 (S). 12.00 Interval Reading. 12.05 p.m. Concert, part 2. 1.00 News. 1.05 Heritage. 1.20 Haydn and Brahms Chamber music concert (S). 2.20 Man of Action George Steiner chooses records (S). 3.35 Music of the Masters (S). 5.00 Jazz Record Requests (S). 5.45 Strindberg and Music (talk by Evert Sprinchorn). 6.30 Music of Scandinavia (S). 7.30 Proms 78 part 1: Schumann, Hamilton (S). 8.05 Personal View by Philip Reynolds. 8.25 Proms 78 part 2: Berlioz (S). 9.30 The Market Economy. 10.00 Dvorak Chamber music (S). 10.30 The Garden in August (talk by Beth Chatto). 10.55 Sounds Interesting (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song (S).

RADIO 3 VHF ONLY—6.00-8.00 a.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.30 am News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week. 11.20 Time for Verse. 11.30 Science Now. 12.00 News. 12.02 p.m. Away from it all. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.15 The Black and White Minstrel Story (S). 2.00 Bookshelf. 2.30 Thirty-Minute Theatre. 3.00 News. 3.05 Does He Take Sugar? 3.35 Music of the Masters (As Radio 3). 5.00 Kaleidoscope Encore. 5.30 A Little Night Exposure (S). 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.50 With Great Pleasure (S). 7.30 These You Have Loved (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 News. 11.33 The Unforgettables (S).

BBC Radio London

206m and 94.9 VHF

5.00 a.m. As Radio 2. 7.32 Good Fishing 8.00 News; weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 David Kremer with Saturday Scene. 11.30 The Robbie Vincent Saturday Show. 2.00 p.m. Bob Powel with London Country. 4.30 Marjorie Bilbow with Close Up. 5.00 Guideline. 6.30-Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 AM weekend news, reviews, features, sports. 10.00 Jellybone. 1.00 p.m. Saturday Sport. 6.00 After Six. 6.30 Hugh and You with Hugh Williams. 7.00 Geet Mala—music, information, interviews in Hindustani. 1.00 Saturday Music. 9.00 Nightline. 1.00 a.m. Night Extra.

CHESS SOLUTIONS

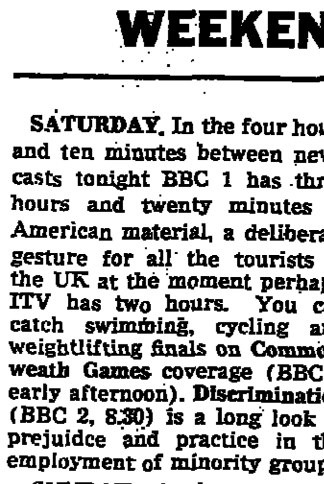
Solution to Position No. 227

No. Black thought he could, and played 1 ..BxP: 2 B-QN5! R-B6; 3 QxB, RxB; 4 Q-Q4! Resigns. The double threat is 5 QxR and 5 Q-Q8 ch winning the bishop.

Solution to Problem No. 227

1 NxQBP (threats 2 NxB and 2 N-Q3). The traps for solvers are 1 N-B6? BxR or 1 NxNP? R-N6 or 1 N-N3? BxN or 1 N-B2? P-B5 or 1 N-Q2? P-N5 or 1 NxQP? B-K3.

WEEKEND CHOICE


Foster: Sunday medal ?

SATURDAY. In the four hours and ten minutes between newscasts tonight BBC 1 has three hours and twenty minutes of American material, a deliberate gesture for all the tourists in the UK at the moment perhaps. ITV has two hours. You can catch swimming, cycling and weightlifting finals on Commonweath Games coverage (BBC 1 early afternoon). **Discrimination** (BBC 2, 8.30) is a long look at prejuidce and practice in the employment of minority groups.

SUNDAY. Again much the more promising of the two weekend days. Brendan Foster could collect the first British Edmonton Games medal in a BBC 1 satellite programme which starts at 11.40 p.m. A bit of knob fiddling here in order to catch The Rezillos, a rising rock group several heads above the competition and on ATV's awful **Revolver**, which some areas have scheduled for 11.45. Good music, bad show. **Festival of Festivals**, a new series, takes us to the Eisteddfod live from Cardiff, with Geraint Evans (8.10 BBC 2). A.S.

هدية من الاهرام

LEISURE

Sleuths' evidence

COLLECTING

JUNE FIELD

AS THAT distinguished bibliophile John Carter reminded us, "it is notorious that the detective story is the favourite reading of statesmen, of dons in our older universities, and in fact all that is most intellectual in our reading public."

The serious collecting of detective first editions started in the 1930's, pioneered by Chicago journalist and critic Vincent Starrett (born 1886), and Ellery Queen, pseudonym of two Brooklyn cousins, Frederic Dannay and Manfred Lee, both born in 1905. *Queen's Quorum*, a history of the detective-crime short story, has long been a definitive work.

Holidays are an appropriate time to search around small booksellers and markets for unrecognised treasures, having also done your homework with Eric Quayle's inestimable *Collector's Book of Detective Fiction* (Studio Vista 1972). And, if you can track it down, the out-of-print 834-page *Who Done It? An Encyclopedic Guide to Detective Mystery and Suspense Fiction* by Ordean A. Hagen (Bowker 1969), which lists 20,000 works published in the English language from 1841-1976, with an index to heroes, villians and sleuths. A more modest and recent reference is Melvyn Barnes' *Best Detective Fiction* (Clive Bingley 1975), a compact guide beginning with philosopher William Godwin (1756-1836), whose propagandist novel *Adventures of Caleb Williams*, also contained a classic mystery, to the contemporary Dick Francis, champion jockey who turned to crime writing when he retired from racing in the 1950s. His first effort *Dead Cert* receiving immediate acclaim.

This is the charm of this collecting category, there is no date-line to worry about. As Mr. Quayle, book collector *extraordinaire* insists, whatever authors one selects are a matter of personal choice—"shaped by the books read and the writers with whom the collector becomes acquainted."

Followers of various detective writers of the past have got together to form clubs to disseminate their knowledge and gain more. There are some 20 societies for devotees of Sherlock Holmes in America, including the Baker Street Irregulars and the Scandalous Bohemians of Akron. For details of the Sherlock Holmes Society of London founded in 1951, write with sae to 5, Manor Close, Warlingham, Surrey. The annual membership is £5.

A useful *Conan Doyle Bibliography* was published and compiled last year by bookseller Gaby Goldscheider (£3 from Antiquarian Books, 29, Temple Road, Windsor, Berks). It lists 1,158 items including some Holmesiana, acknowledging Robert Burt de Waal's marathon *World Bibliography of Sherlock Holmes and Dr. Watson* (New York Graphic Society, 1974), which lists over 6,000 items in 50 languages. John Murray have just published a British edition of *The Sherlock Holmes Illustrated Omnibus*, an interesting facsimile edition of all the Sherlock Holmes stories, illustrated by Sidney Paget, as they originally appeared in *The Strand* magazine of the 1890s and 1900s.

Edgar Wallace directing one of his films at British Lion Film Studios, 1930/31. From the Edgar Wallace Archives.

The Edgar Wallace Society, organised by his daughter Penelope, herself a short story writer, was begun in 1969 to provide information on the prolific writer who was the author of 173 books translated into 28 languages with sales topping 50m, plus 957 short stories, 23 plays, 65 sketches, and uncounted articles. Films made from his books total 165—he even wrote the original script for King Kong—and research has revealed that in one year, out of every four non-fiction books bought in England, one was by Edgar Wallace.

To find your way around some of the prodigious output there is Lofts and Adley's *The British Bibliography of Edgar Wallace* (Baker 1969). Wallace wrote his autobiography *People* (Hodder 1926), and I have the 1939 Book Club edition of Margaret Lane's *Edgar Wallace—A Biography* which details the tangled web that his finances were in when he died in 1932 at the age of 56. "The Machine Breaks Down" is the appropriate heading of the final chapter. Details of the society (membership £1.25 to the end of the year), plus leaflet on "Evenings with Penelope Wallace at the Edgar Wallace Pub," for sae to her at 4 Bradmore Road, Oxford.

The Dorothy L. Sayers historical and literary society was started in 1976 to promote the study of the life and works of the novelist, theologian and Dante scholar (1893-1957), whose early career included working for an advertising agency writing copy for Colman's Mustard Club campaign, before she moved on to create the highly successful aristocratic amateur sleuth Lord Peter Wimsey. The society's chairman, R. L. Clarke, told me that they are particularly concerned with collecting all Miss Sayers' letters which she produced in vast quantities.

"They comprise a substantial part of her genius and until these are copied they are at risk. We should like to hear from anybody who has any of her letters—copies will do. Just so long as her words can be retained for posterity." Details of the society for sae from Roslyn House, Witham, Essex. Membership fee £1.50. The only published biography is the one by Janet Hitchman, *Such a Strange Lady*, and a new bibliography is *An Annotated Guide to the Works of Dorothy L. Sayers* by Harmon/Burger (Garland Publishing Inc.), which can be ordered through the society.

Specialist dealers in detective fiction include Christopher Lowden, 22, Sumatra Road, West Hampstead, NW10, and David Fullerton, Mayes Farm, Mayes Lane, Sandon, Essex—sae for lists.

Ideal conditions for strawberries

GARDENING

ARTHUR HELLYER

ANYONE CAN grow strawberries but to grow them well one needs to know a little about their peculiarities. Of all fruit crops the strawberry is the most short lived, not because the plants themselves lack perenniality but because they quite rapidly lose their ability to produce top quality fruits. Retain a strawberry bed for five or six years and it is likely to be a solid mass of leaves, one plant scarcely distinguishable from another and the fruits so small as to be scarcely worth picking. Even if the runners which root and grow into new plants, and so produce overcrowding, are religiously removed so that the original plants can still be identified, they are likely to be tough crowned and unproductive.

The very finest strawberries, those mouth watering monsters that are displayed so enticingly at exhibitions, are produced on young plants which is one reason why strawberries make such excellent pot plants. If good rooted runners can be obtained now and potted individually in 125 mm pots in good rich soil it is as near certain as anything horticultural can be that next May-June you will be picking some very fine strawberries. There may not be a great many of them for the yield of young plants is not great, but they will certainly be good.

Because strawberries are at their best when young and can, if one has the time, be renewed annually they also fit well into the growing-bag technique. This is the modern system of cultivating plants in long, rather narrow plastic bags, like double-bed bolsters, filled with a rich peat-based growing mixture. The bags are laid flat, end to end if there is space for that, and are slit open along the upper side so that plants can be grown in them. Since the strawberries will occupy the bags for no more than 12 months at most and can be fed intensively, they can be planted quite close, certainly much closer than pundits usually advise, with a spacing of about 15 cms about optimal.

For generations strawberries have been grown in soil-filled barrels with some plants on top and lots of others established in holes cut about 8 cms in diameter in the barrel side. In a few months the barrel is almost completely covered in strawberry leaves and makes an attractive ornament for a patio or terrace. Adaptations of this idea are special terra cotta strawberry urns or multiple planters and the plastic tower pots which can be purchased from some strawberry nurseries and garden centres. Tower pots are so clean and take up so little space laterally that they make good decorative features for rooms, but if good crops are to be produced the plants should do most of their growing outdoors and only be brought inside for the last few weeks when they are actually flowering and fruiting. Even then they will need plenty of light, near a large window for preference though not necessarily in direct sunshine.

Strawberries, especially when treated as an annual or two-year crop, need to be planted early, in August rather than during September or October. This almost certainly means going to a specialist nursery in the first place, as garden centres are unlikely to have supplies so early, but once started it is quite feasible to go on propagating one's own plants at any rate for several years. This is contrary to what the experts usually advise since they are always worrying about the build-up of virus infections, but the dangers are less under garden conditions than in the field. This is because virus is carried from plant to plant by greenflies which are difficult to control where strawberries are growing in large fields but are relatively easy to eliminate in the garden. Large-scale monoculture always brings its own special, and often acute, pest and disease problems and in this respect the small garden owner often has an advantage over the farmer and market grower.

Strawberries love rich soil and it is almost impossible to overfeed them. I like to use plenty of humus in the preparation of the strawberry beds and am fortunate to have access to almost inexhaustible quantities of old mushroom compost which suits strawberries well. I supplement this with a compound fertiliser applied immediately before planting plus a further application in spring to keep plants growing. This can be still further supplemented by liquid feeding either through the soil or direct to the leaves. Some of the most intensive commercial strawberry cultivation is done under glass in long shallow troughs or vertical plastic tubes filled with some very porous rooting medium kept constantly moist with nutrient solution. It is a form of hydroponic culture which seems to suit the strawberry admirably, supplying it with all the moisture and plant food it requires without any danger that the "soil" will become over-compacted or the crowns of the plants will be so wet that they decay.

That, in a nutshell, sums up the ideal conditions for good strawberry growth and production—a porous and rich soil which never becomes dry and yet is never waterlogged. Sunshine helps to ripen the fruits but growth is most luxuriant in semi-shade. Outdoors it is difficult to satisfy both requirements, but when strawberries are grown under glass one can vary the light intensity much more readily with discreet shading when it seems desirable. But even pot plants are happiest for the first few months out of doors. They can stand in any not-too-scorching place, ideally where there is dappled shade from deciduous trees. What is of even greater importance they must never be allowed to become really dry. They love moisture, which is why the hydroponic system suits them so well. I have never tried them in leca and water fed with a slow release resin-based fertiliser (the method now known as hydroculture) nor have I heard this recommended for them, yet I fancy it would suit strawberries well.

It is important to grow good varieties and to start with healthy plants. There are two major types to choose from, summer fruiting which bear all their fruits in June and early July and perpetual or remontant which fruit more or less continuously from July to October.

WORLD CHESS

LEONARD BARDEN

ANATOLY KARPOV has at last broken the deadlock and the record draw series in his world chess championship match against Viktor Korchnoi the Soviet defector. Karpov won game eight of the series in 28 moves on Thursday and now leads 1—0.

This brilliant win was Karpov's first convincing game of the match and showed his ability to exploit the slightest error. Korchnoi's risky opening play weakened his defences. And the champion launched a combined piece attack culminating in a rook and queen sacrifice to force mate.

Korchnoi only has himself to blame for being behind in the match. He had a material advantage in the seventh game, a strong attack in the third, an elementary win in the fifth—and spoiled them all. The championship goes to the first player to win six games, draws not counting, so that in theory there is a long way to go; but the overall impression is that Karpov is warming up.

When Korchnoi came to the board for the eighth game, Karpov snubbed him by refusing the traditional handshake. A Soviet statement said this was because of Korchnoi's drawn-out protest over a Russian doctor seated in the audience 100 feet from the board and allegedly trying long-distance hypnosis.

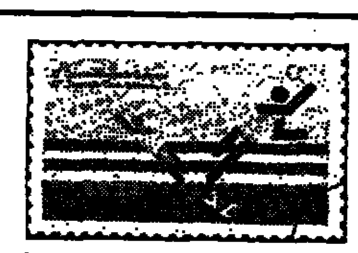
Can Korchnoi get back into the match? It looks unlikely, although the play so far resembles the 1974 series between the same opponents. Then Korchnoi often had Karpov under pressure but lost important points by loose play and unsound openings. Korchnoi was physically the stronger four years ago and was catching up at the end when Karpov tired. This time Soviet officials are taking no chances of a repeat and Karpov's regime includes daily tennis and a specially prepared diet.

Two episodes have shown why world championship chess is both absorbing and difficult to all involved with the match. In the fifth game, Korchnoi and his British grandmaster seconds analysed for many hours but completely missed the point of Karpov's sealed move into N-R2. In game seven, all the commentators predicted Korchnoi would resign at adjournment, but both camps then discovered a totally unexpected resource. It was so strong that Karpov at once offered a draw.

Games winners

STAMPS

JAMES MACKAY



ACCORDING to Nietzsche, "The belly is the main reason why man does not mistake himself for a god." All is not lost, however, for though many Canadians are groaning under a heavy burden, the Commonwealth Games which opened yesterday in Edmonton will encourage them to become fit. Canada is an appropriate venue for the 11th Games, since the idea of such a sporting event first took root there exactly half a century ago and the 1st Games, in 1930, were held in Hamilton, Ontario in 1930.

Pre-publicity stamps seem almost mandatory for international sporting events nowadays and Canada issued 14c and 30c stamps last March for this purpose. Designed by Stuart Ash and lithographed by Ashton-Potter Ltd, they featured the Games emblem, a stylised Union Jack superimposed on a maple leaf, and two badminton players in the match-stick genre popularised by the late L. S. Lowry.

A further set of four stamps was released yesterday and followed the same pattern as the pre-publicity pair. Two 14c stamps side by side feature the new Commonwealth Stadium in Edmonton and the sport of running. The pair of *se-tenant* 30c stamps depict the Alberta legislature building in Edmonton against a stylised background of the foothills of the Rockies, and the sport of lawn bowling.

The choice of bowls is a curious one, but highlights one of the sports which appear in the Commonwealth Games and not in the Olympic programme. This medieval pastime fell into disrepute in the 17th century due to the excesive drinking and gambling which accompanied it. It was resurrected by the Scots in the 19th century and this perhaps accounts for its similarity to curling. Indeed, the resemblance is so strong that it is hard to explain why Canadians devote themselves to the one while largely ignoring the other. The appearance of bowls on a stamp may encourage more Canadians to take up this activity.

Relatively few other Commonwealth countries are participating in the philatelic side of the Games. The Isle of Man issued a 7p stamp on June 10 showing a swimmer, cyclist and walker. This was part of a series of four stamps with a North American theme—a single for the jubilee of the North American Manx Society and a pair honouring James Ward, the Manx pioneer of Three Rivers, Canada.

Kenya released four stamps on July 15, designed by a local artist and printed in multi-colour photogravure by Fournier of Spain. Two stamps show boxing and javelin-throwing, while the other two portray President Kenyatta greeting the 1968 Olympic Games team and admiring the champion boxing trophy.

Travelling companions

PAPERBACKS

ANTONY CURTIS

There are two schools of thought about paperbacks on holiday. One is that now at last is the chance to get through some massive classic like *Anna Karenina* (in both Penguin and Pan at £1.50) or *The Mayor of Casterbridge* (Macmillan 75p) which one has been meaning to read again ever since seeing it done on television. The other is to take a selection of less demanding, disposable, one-off titles which will suit any mood from rain-induced gloom to sun-inspired *joie de vivre*. For the latter try William W. Warner's *Beautiful Swimmers* (Penguin £1.50) which won a Pullitzer Prize last year, an account of waterman, crabs and the Chesapeake Bay; Time magazine thought it, "worthy of space alongside Rachel Carson's classic *Edge of the Sea* . . ."

If it should rain a thriller may take your thoughts off the hotel-lounge and the forecast: for instance, Desmond Bagley's *The Enemy*, a spy job, available from Fontana at 85p. But if you're bored with outwitting the KGB and want a classical whodunnit with a giant corporation background, two Emma Lathens have conveniently just cropped up as Penguins, *Sweet and Low* and *By Hook or By Crook* (both at 65p); my colleague William Weaver who does the crimes regularly on the FT Books page wrote "Miss Lathen at the top of her form."

My own approach to holiday reading is slightly different. I don't want just escapism nor on the other hand do I find the atmosphere conducive to total immersion in Gibbon or Musil. What I like is to get to know some contemporary of a certain notoriety or renown who has aroused in me earlier a curiosity still unsatisfied. Three people appear in paperback this month who come into this category, all happen to be American: Lillian Hellman, Martha Gellhorn and Woody Allen. The first and the last have recently acquired an enormous popular following which might seem out of all proportion to their talents.

The both represent a highly fashionable kind of dissenting conformism within American society and our own. Basically they are good bourgeois like you and I, but they refuse to be pushed around whether by the investigative journalist, the studio head or the senate committee. They embody a tiny triumph for wry, civilised personal integrity against the almighty, absurdist, catch-22 forces that threaten to pounce and wreck the lives of any one of us any time. The Hollywood hearings first focussed the attention of the world on this situation and they have now become, like an earlier era in the West, one of the goodies-and-baddies myths of America. It is these hearings that provided the plot for Woody Allen's last but one film and are the subject of Miss Hellman's latest autobiographical volume, aptly named *Scoundrel Time*, now a paperback (Quartet £1.50).

Here with all Miss Hellman's gift for vivid recall is what it was like in 1952 to be summoned to appear before the House Committee and to have to testify whether she or other people, former colleagues, friends, acquaintances—there was the rub—had ever belonged to the Communist party. She describes the agony of whether or not to plead the Fifth Amendment, then the drafting and re-drafting with her lawyer of a letter stating that she would give evidence about herself for as long as required but not about other people. It was a courageous stand and if Miss Hellman relishes the role of the St. Joan of Los Angeles it is one she fills with dignity. Unlike the Maid she was very clothes-conscious: it is a heart-warming touch that before the hearing she went out and bought a Balmain dress in which she testified. Hell, she was not going to appear before the committee looking a mess. We smile but the smile is wiped when we hear what the mere fact of having appeared before the committee did to her materially, professionally and emotionally, and to her great friend, Dashiell Hammett who comes intermittently into the story.

Martha Gellhorn never, so far as I know, had to testify. But throughout her career as a writer which has been a long and honourable one, she has had a knack of being around where the action was, particularly if the action involved war. She is a surviving veteran of the Spanish Civil War (she was once married to Hemingway) and saw service in the Second World War in Europe. She wrote on-the-spot dispatches of these wars but she is also an imaginative writer with a strong narrative gift. *The Honeyed Peace* brings together her short stories in which she shows the the long-term effects of war upon certain individual survivors. Settings range from a description of Paris just after the liberation, to post-war Grimsby where a Polish hero has set up with some ex-service friends in the fishing industry. These highly readable and brilliantly observed stories are among the most accurate studies of the aftermath of war ever written.

TV RATINGS

w/e July 30

UK Top 20 (viewers m)

1 Life Begins at Forty (Yorks)	11.60
2 London Night Out (Thames)	11.50
3 Coronation Street (Mon.) (Gran.)	11.25
4 Crossroads (Wed.) (ATV)	11.15
4 Never Mind the Quality Feel the Width (ITV)	11.15
6 Crossroads (Thurs.) (ATV)	11.00
7 Leave it to Charlie (Gran.)	10.40
7 The Incredible Hulk (ITV)	10.40
9 Crossroads (Tues.) (ATV)	10.35
10 Coronation Street (W.) (Gran.)	10.25
11 Krypton Factor (Gran.)	10.15
12 Crossroads (Fri.) (ATV)	10.10
13 Your Only Young Twice (Yorks)	10.00
14 Backs to the Land (Anglia)	9.95
14 Three Two One (Yorks)	9.95
16 Master of the Islands (BBC)	9.85
17 Out (Thames)	9.70
17 Charlie and Julie (Yorks)	9.70
19 Survival (Anglia)	9.30
19 Don't Ask Me (Yorks)	9.30
19 Blackpool Bonanza (Gran.)	9.30

Figures compiled by Audits of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. Top Ten (Nielsen ratings)

1 Miss Universe CBS	25.0
2 Alice (comedy) CBS	23.0
3 Threes Company (comedy) ABC	22.6
4 Fantasy Island (drama) ABC	21.6
5 Starsky and Hutch (drama) ABC	20.8
6 All in the Family (comedy) CBS	20.6
7 Laverne & Shirley (comedy) ABC	20.0
8 Switch (drama) CBS	19.5
9 Love Boat (drama) ABC	19.2
10 Charlie's Angels (drama) ABC	19.0

A Nielsen rating is not a numerical total.

BRIDGE

E. P. C. COTTER

TODAY'S HANDS are from the Far East Championships. In the first hand neither South nor East shone:

```
              N
              ♠ A Q 5
              ♥ 8 7 3
              ♦ J 9 8 5
              ♣ K Q 4
W                            E
♠ J 8 7 6 2                  ♠ K 10 3
♥ 9 4                        ♥ 10 5
♦ —                          ♦ K Q 10 7 3 2
♣ A J 9 8 7 2                ♣ 10 6
              S
              ♠ 9 4
              ♥ A K Q J 6 2
              ♦ A 6 4
              ♣ 5 3
```

West dealt at game to East-West and passed, North bid one diamond, and South said one heart. West now bid one no trump, the unusual no trump, showing a black two-suiter at least 5-5 and more probably 6-5, and asking his partner to choose the better of his black suits. East duly bid two spades, but South went straight to four hearts.

When West led the six of spades, the declarer could play dummy's Ace, Queen, or five. There is something to be said for the five, a great deal to be said for the Ace, and almost nothing to be said for the Queen. Yet the Queen is the card that South chose, and East won with the King. Now the return of the diamond King would have put paid to the declarer's chances, but East rather unimaginatively led back the spade ten. With the trumps breaking and the Ace of clubs with West, South managed to make ten tricks.

The safest line is surely to play the spade Ace at trick one and draw trumps, and as the cards lie, it ensures the contract. This guards against the possibility that West is void of diamonds — a possibility that South should not have risked and East should not have failed to envisage. After all West had announced a probable holding of eleven black cards.

After finding the trumps 2-2, the best play for South is to lead his remaining spade, just in case West has led from the King. When East takes dummy's Queen, the club Ace is now certainly with West, and the contract will be made by playing clubs twice from hand.

The next hand shows that the West player was a real thinker:

```
              N
              ♠ A 9 7 2
              ♥ K 7
              ♦ A Q 7 4
              ♣ K 7 4
W                            E
♠ K 10 6 3                   ♠ J 8
♥ A Q 10 8                   ♥ J 6 4 3
♦ —                          ♦ J 5 3 2
♣ A J 10 3 2                 ♣ 8 6 5
              S
              ♠ Q 5 4
              ♥ 9 5 2
              ♦ K 10 9 8 6
              ♣ Q 9
```

With East-West vulnerable West dealt and bid one club, and North doubled. Many players would bid one no trump on the North cards, but the double cannot be condemned. After East had passed, South bid one no trump, which is not the response I would have chosen. North encouraged with two no trumps, and South went three.

The bidding was certainly optimistic, but at least the right hand was declarer in the no trump game contract. If North plays the hand, a club from East leaves the declarer in poor shape.

As it was, with South as declarer, if West plays a wooden defence by starting with his fourth-best club, the contract will be made with two clubs, five diamonds, a heart and a spade. But the opening leader came to the conclusion that the opponents were not afraid of a club lead, so he looked round for another point of attack, and decided that the right suit to lead was hearts. Furthermore, he led the Queen. Dummy's King won, East dropping the six, and five diamonds were run, on which West threw two clubs, two spades, and a heart.

Now the declarer got off play with a heart. West put up his Ace, and continued with the ten for his partner to overtake and make another trick in the suit. Then a spade return defeated the contract.

CHESS

LEONARD BARDEN

THE ANNUAL British championship starts at Ayr on Monday with the strongest entry for several years. Grieveson Grant's support includes over £1,000 for the winner, and means that the rewards are appropriate to the quality of the competition for the first time since the championship began in 1904.

Among the favourites are Jonathan Mestel, who won with a record score in 1976 with Miles a long way behind; the defending champion Botterill; and the young international masters Bellin, Speelman, Taulbut and Webb.

Nigel Short, the world's best 13-year-old, will also be taking part; I doubt if he will equal Mecking's feat of winning the championship of Brazil at 13, but he could well finish in the top half or even among the eight prize-winners.

Though a record 44 competitors will play in the British Championship, the limitation to this number has caused some unfortunate omissions. The former champion B. Eley, the promising H. Macpherson, twice Southern Counties champion at age 20, and one of the Stock Exchange's strongest players R. Johannes, all wished to take part but were left out. All three would probably have held their own in the championship finals.

In the Lloyds Bank and Aaronson events the organisers accept all applicants of international standard, with gradings of 200 or better, and also provide scholarships for promising juniors from the BCF's national squad.

A more flexible approach is overdue if Grieveson Grant's important sponsorship is to be fully effective in advancing British chess.

Unfortunately Tony Miles, Britain's No 1, will not be at Ayr. He is participating at Montilla, Spain, against Boris Spassky and other leading grand masters. This week's game is a recent Miles win over one of the world's best players.

White: B. Larsen (Denmark). Black: A. J. Miles (England). Opening: Sicilian Defence, Dragon variation (Las Palmas 1978).

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-KN3; 6 B-K2, B-N2; 7 0-0, 0-0; 8 K-R1, N-B3; 9 N-N3, B-K3; 10 P-B4.

White stems to be trying for an improved form of Karpov's system 10 B-KN5 followed by P-B4, B-B3 and an eventual king's side pawn advance; but here White becomes overextended and Black's 15th strikes back hard in the centre.

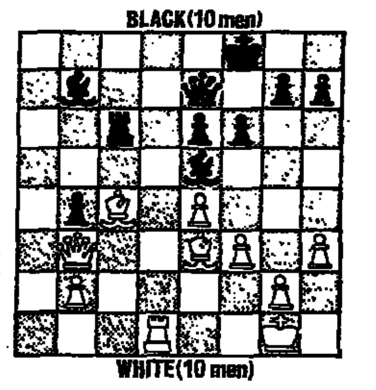
10 . . . N-QR4; 11 P-B5, B-B5; 12 B-KN5, R-B1; 13 B-Q3, P-N4; 14 Q-Q2, P-N5; 15 N-K2, P-Q4! 16 P-K5, N-K5; 17 BxN, PxB; 18 KR-Q1, N-B3; 19 Q-K3, Q-N3; 20 QxP, NxP; 21 N-N3, B-QR3; 22 BxP, R-B5; 23 N-Q4.

White is a pawn up, but his knight is pinned and his king vulnerable to a long-range attack which Black cleverly exploits.

23 . . . R-K1; 24 B-N5, B-N2; 25 Q-R4, N-B6; 26 NxN (if 26 PxN, RxN; 27 RxR, BxP ch; 28 K-N1, BxR ch), RxQ; 27 NxR, B-KB3; 28 BxB, QxB; 29 Resigns. White will lose at least one queen's side pawn to give Black an easy material win.

POSITION No. 227

BLACK (10 men)

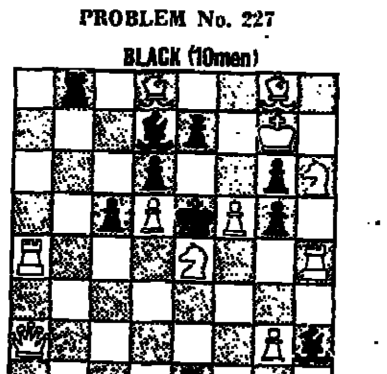


WHITE (10 men)

Belyavsky v. Platonov, Kiev 1978. Can Black (to move) safely play to win a pawn by 1 . . BxQNP? The answer depends on a concealed tactical point which one of the players (both of them grandmasters) overlooked.

PROBLEM No. 227

BLACK (10 men)



WHITE (11 men)

White mates in two moves, against any defence (by G. Heathcote, West Germany 1950). White's keymove piece will be obvious to experienced solvers, but there are several near misses which have to be avoided.

Solution Page 10

FINANCIAL TIMES
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Saturday August 5 1978

A bull market of sorts

THE PAST WEEK has been a good one for equities. The FT Actuaries All Share Index has risen above its earlier 1972 peaks to reach in the course of the week the highest level since the compilation of the Index in 1962. The rise has by no means been confined to London. The Dow Jones Industrial Average also reached a new high for the year, although it is still substantially below the 1976 peak.

In many other centres, ranging from Canada and Australia to Hong Kong, Singapore and South Africa, equity indices reached a 1978 high. The world index prepared by Capital International not only achieved a new peak for the year, but is not all that far below the previous peak of early 1973.

At first sight there is a contrast beween what the Stock Exchanges have been doing and the outlook for real business activity. The recovery from the bottom of the 1975 world recession is now nearing the end of its third year, and on cyclical grounds a downturn would be expected. This need not mean an actual fall in output, but might be what some economists call a "growth recession." In other words output would rise below its trend rate and unemployment and unused capacity increase again.

Generalisation

There is, of course, nothing divinely ordained about the four or five year postwar cycle, which is simply a rough generalisation from highly variable experience. The very modest nature of the post-1975 recovery could itself enable the upturn to continue longer. It is true that the measures agreed at the Summit would, even on conventional theories, make only a modest impact on the level of world output. But this might itself be reassuring, as it reduces the prospect of another inflationary wave, followed by a grinding *halt*.

In the UK there has been a contrast between the very rapid if temporary spurt in the growth rate, widely predicted for the middle of this year on the basis of the rise in real incomes, and the very moderate expansion reported by businessmen themselves. There are so far few second quarter indicators on which a firm opinion can be based. But if in fact the UK economy has avoided a sharp and unsustainable mid-year spurt, the prospects for continuing growth may be that much better.

It is, of course, always possible to find bullish pointers if one is looking for them. There has been a slight easement of dividend controls, although the main distortions have not been removed. The Government has come out with a 5 per cent pay norm, which was at the lowest end of the band of expectations.

Yet if one wanted to, it would be possible to draw up an equally impressive list of pessimistic elements. Some slowdown at least in domestic spending is likely as prices catch up with earnings and as the growth of the real money supply declines. The trade balance is disappointing in view of the contribution now coming from the North Sea oil and the low level of business activity. The very strength of sterling is likely to depress profits in exporting and import-competing companies.

If there is any specific factor which has turned the balance in the UK stock market, it is probably the expectation of a fall in interest rates. The improved performance of both sterling and the gilt-edged markets suggests that MLR may soon begin to come down from the 10 per cent level to which it was hoisted on June 8. It is true that New York interest rates could well go higher, given the continued decline in the dollar and obstinate rise of the U.S. inflation rate. On the other hand the relation between U.S. and UK interest rates is much less rigid than it used to be under a fixed sterling dollar parity. The uncovered differential on Treasury bill rates has varied over a range of 12 per cent in the past couple of years. For the moment at least, the U.S. monetary outlook is more of an amber light for Wall Street than it is for London.

The extent of the rise in the world's Stock Exchanges has been much exaggerated by inflation. The FT Actuaries Index is for instance over 50 per cent down on 1972 if the comparison is made in real terms; and similar qualifications apply to indices in other countries.

Perhaps the most important point about the London market is that it still is not very high in relation to earnings. When profits are adjusted for inflation, the average price earnings ratio is still on most computations a good deal lower than five years ago. The yield on long dated Government securities is still substantially below that on equities if modest allowance is made for the growth of dividends within the official guidelines.

The equity market has risen from the alarmingly depressed levels of the mid-1970s which could be justified only by some catastrophe theory. Its present level presupposes that economic growth will continue at a modest rate with no attempt to regain the ground lost since 1973. This is realistic.

Why gold is unlikely to go out of fashion

BY KENNETH MARSTON, Mining Editor

AS IN a tempestuous marriage, gold and the world live in an uneasy relationship which often threatens to break up but never quite reaches the point. Those who dislike the metal regard it as a barbarous relic, often obtained by dubious means and largely mined in countries whose political regimes are frowned upon in the West.

They consider it outrageous that over the centuries gold should have retained a monetary standing and trust that today still exceeds those of many paper currencies which include the U.S. dollar, no less. And because in times of economic and political uncertainty men turn to gold—as the French did before their election in the spring of this year—a firm bullion price is associated with possible ill-tidings.

It seems that the world has yet to find an alternative to gold which will be as acceptable in both the monetary and industrial senses. At the moment the price of the metal is rising on both counts. The main impetus comes, of course, from the decline in the value of the U.S. dollar or, perhaps, it might be fairer to say the decline in world opinion of the U.S. Administration's performance.

Even so, the present demand is not nearly so inflated by speculative buying as it was in the previous price advance of 1974 when the speculative content was estimated at 60 per cent or so of total demand. This time the market is being bolstered by an underlying strong industrial demand which exceeds the level of newly mined Western production.

Seriously short

Anglo American Corporation of South Africa, which is responsible for some 27 per cent of non-Communist world production, said in its recent annual report that if official sales, such as the International Monetary Fund auctions, were to be discontinued, "the market would be seriously short of physical gold."

In 1974 many industrial users of gold were priced out of the market. This time the main import of the price rise is in terms of U.S. dollars. In terms of strong currencies such as the Swiss franc or the Deutsche Mark the recent price rise is far less marked and, indeed, the price of gold in these currencies is still lower than it was in 1975.

The overall demand-supply position has been recently examined by Christopher Glynn in *Gold 1978*, published by London's Consolidated Gold Fields. Total world supplies of gold to the free market last year are put at 1,607 tonnes. Of this, South Africa produced 700 tonnes, Soviet supplies accounted for 401 tonnes and a further 241 tonnes came from official sales which include those of government agencies, central banks and IMF disposals.

Where did this gold go? Net private purchases for investment accounted for 220 tonnes while the remaining 1,387 tonnes came under the heading of "fabrication." The two major items under that heading, which includes the offtake for exclusively industrial purposes such as dentistry and electronics, were jewellery 979 tonnes and official coins 136 tonnes.

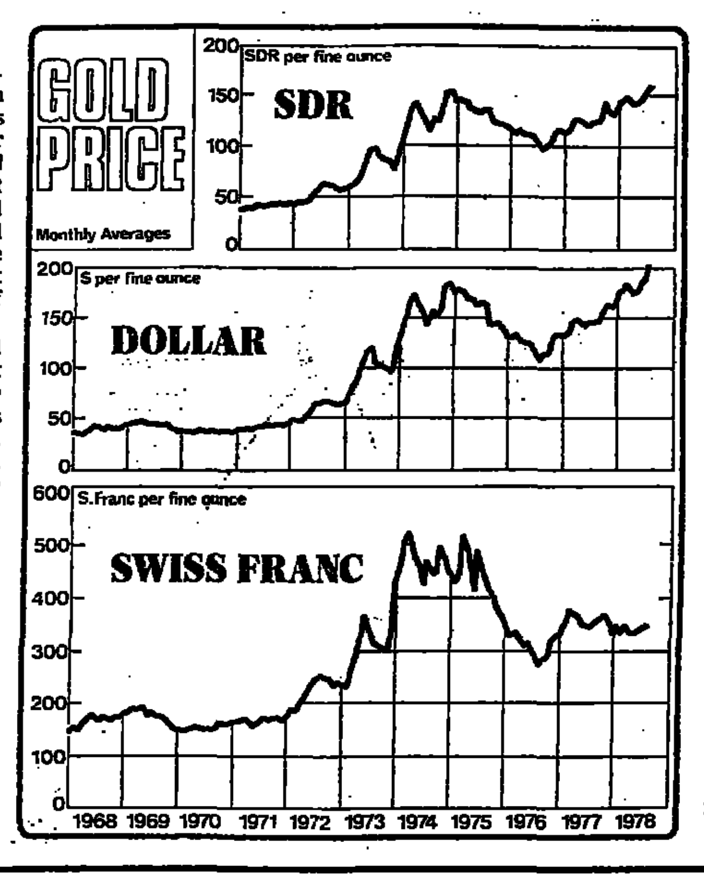
Here we enter the grey area of investment content. The smaller figure for coins will have been almost entirely made up of Krugerrands. These, which have been finding an increased demand in the U.S., absorbed 26 per cent of South African gold production in the final quarter of last year. Thus the bulk of coin offtake can be regarded as investment.

When it comes to jewellery, however, who is to say which is prominent in a purchaser's mind: investment or an expression of increased affluence and desire for adornment. For this reason *Gold 1978* feels it may be misleading to add together the figures for fabrication in developing countries—which include the oil nations—official coin production and private bullion purchases in order to arrive at a total investment interest representing 911 tonnes in 1977.

It seems more likely that the present purely speculative demand is about 20 per cent of total demand. It is also pointed out that overall investment interest as a proportion of total supplies shows a progressive decline from 67 per cent in 1974 to 57 per cent last year. The question remains about how much gold might find its way back on to the market in the event of a change in sentiment brought about by, say, a sustained reversal in the price.

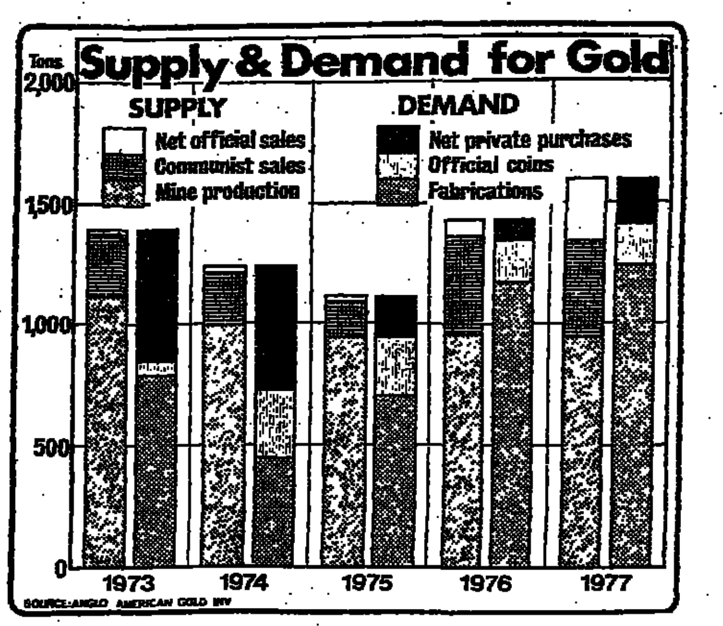
Nobody knows, but experience is that most holders of gold jewellery, apart from the "investment" buyers in the Middle and Far East, do not easily part with it, and the same is true of diamonds. What can be expected to return to the market is the small proportion of gold held in the form of coins and bars; such sales reflect profit-taking or, at times of drifting prices, an impatience with an investment that pays neither interest nor dividends.

Meanwhile, the market continues to absorb all the gold that is offered. In Germany, for example, a shortage of one kilogramme gold bars has developed in the past few weeks, and over the past three months buying from Turkey has absorbed about 80 tonnes; the latter demand reflects the seasonal buying by private individuals after the completion of the harvest, but on this occasion it is far higher than usual.



Going back over the longer period before gold prices took off, the market has easily absorbed the regular sales of gold auctioned by the International Monetary Fund, the proceeds of which go to a trust fund for the developing nations. The auctions began in 1976, when a nervous gold price dropped to not far short of $100 an ounce at one time, and are designed to sell some 25m ounces over a four-year period.

It has also accepted sizeable sales from countries including China, India and Portugal, and has been undismayed by the recent U.S. Treasury offerings which were designed to provide a measure of stability for the dollar from a country whose stated policy has been in favour of the demonetisation of gold. Meanwhile, domestic U.S. investment interest in gold really started to take hold last year, being manifested in trading in the futures markets and in the demand for Krugerrands.



Offsetting factor

What of the short-term supply outlook? This year the IMF and U.S. Treasury offerings will contribute some 240 tonnes and further offerings will come from Portugal and possibly the smaller deficit countries. *Gold 1978* reckons that there could be the offsetting factor of discreet purchases by some central banks and monetary agencies which would reduce the net total of official offerings to between 200 tonnes and 250 tonnes.

As ever, the size of Soviet supplies can only be guessed. Production is rising; it is currently believed to be about 400 tonnes a year and economic factors do not inhibit mining activities in Russia. More important is the Soviet need for gold in its trading with the West and it may be assumed that sales will continue to be regulated in a manner which will avoid rocking the boat.

The degree to which higher gold prices will stimulate production in the West is small, bearing in mind the fact that mining costs have also risen. Even at $200 per ounce gold is barely economic for most producers outside South Africa. The latter's mines have much lower than average costs—the current level for the industry is a little over $100 per ounce —while many of them enjoy an important by-product revenue from uranium and all benefit fully from the high U.S. price because the exchange value of the South African rand is tied to the dollar.

But South African production costs have risen dramatically in recent years, notably in regard to the wage bills for both white and black workers and the rising price of power supplies. Over the past four years the cost per tonne of ore milled by the South African mines has increased by more than 100 per cent—there was a 21 per cent rise last year—and the escalation continues.

Lowest for 16 years

At the same time productivity has been declining and in 1977 the Republic's total gold output was the lowest for 16 years. This year South African output has been recovering and with the starting up of new mining ventures—currently in the development stage—gold production could increase by a further modest amount. But while the industry is now enjoying buoyant earnings it will need sustained increases in the gold price over the longer term to maintain its margins over the remorseless rise in costs.

Overall, gold supplies to the West are thought likely to run at between 1,450 tonnes and 1,650 tonnes annually for the next few years, a forecast that suggests a modest fall. Thus if fabrication demand were maintained, the margin of gold available for investment, or speculative demand, would narrow and buying stimulated by any economic or political crisis could have a disproportionate impact on the price.

At over $200 per ounce we are now in uncharted waters and the future course of the gold price remains as perplexing as ever. Is the strength of the industrial demand likely to be maintained? Taking into account inflation over the past decade it may be argued that, as a commodity gold is not over-priced. Admittedly, other commodities such as the base metals show a smaller net gain over the period.

But it will also be argued that they have tumbled heavily from the peaks reached in recent years and that as a result of the world economic recession they are now too low: few copper mines, for example, are doing much better than break even at the current price for the metal and a doubling in the latter would be needed to justify the opening up of new properties at today's high costs.

On this basis, it seems that gold stands a good chance of maintaining its current levels. It may well go higher although any further sharp rise could damage the industrial demand as the producers know only too well. Like most other commodities, the metal is bound to have its ups and downs, but until we reach that perfect age when paper currencies can command a universal trust, gold is unlikely really to go out of fashion.

Letters to the Editor

Docklands

From the Secretary, Movement for London

Sir,—On July 19, 1976 you published an excellent leader page article entitled "Strategy for wasteland," in which you outlined the various measures under consideration to renovate the industrial base of East London's docklands. The article stressed that "the key to any revival lies in better transport," and quoted the then Greater London Council leader, Sir Reg Goodwin, as saying that "the social consequences could be quite disastrous if rebuilding does not start soon."

You will forgive therefore, a certain feeling of déja vu creeping over one when reading your leader page article of July 31, 1978, entitled "The battle to turn the tide for London's East End," which seems to be stressing just the same points with the same urgency: but two years later.

What has happened in the meantime to this transport "key" for London? Given that local and central Government are for once agreed, and acknowledge that new surface transport infrastructure is vital to the area one might have hoped that beyond these pious words there would have been some semblance of action.

The only positive moves seem to have come from the GLC alone, which is at any rate pushing ahead with the re-alignment of the A13 between Canning Town and Limehouse within its current five-year programme.

But what of the Government's schemes for new road links between the East Cross Route and the M11/North Circular, and indeed the M11 and the A13? Have they moved forward in the national road investment programme, as an overt act of faith in docklands? If anything the opposite is happening, and recent admissions from the Department of Transport suggest that the inevitable public inquiries to establish the main line of these schemes (let alone the relevant side roads!) will now be delayed for at least two years.

Most important of all, the new river crossing in East London—surely the cornerstone of any new network—is still the subject of wrangling between County Hall and central Government on whose financial responsibility even so major a national investment should be.

Every recent survey of business opinion in Greater London has demonstrated that the lack of a good road network is directly detrimental both to industrial efficiency and to potential investment.

One can only hope that in July 1980 you will not be able to publish another article about "the enormous potential of docklands." Perhaps by then, some part of the potential will have been realised.

Andrew Warren.
26, Manchester Square, W1.

Profits

From Mrs. E. Wittenberg

Sir,—I agree entirely with Mr. Banchero (and I hope he would not describe *that* as twaddle) that the inability to deal with the decimal system is nothing new (July 29). There is now, however, a growing need to understand and manipulate decimals, as metrication becomes more widespread.

In my letter (July 19) I blamed neither pupils nor teachers: I related a recent experience and posed the question of how the present sad state of affairs could be improved.

(Mrs.) E. Wittenberg.
3, Fairacre,
Church Road,
Isleworth, Middlesex.

Insulation

From the Chairman, National Cavity Insulation Association

Sir,—Further to Michael Cassell's item on polystyrene beads (Building and Civil Engineering page, July 31), we are not aware that there is a debate on which is the best insulation method for cavity walls. Foam is accepted by the industry as the most suitable of the proven methods, being at a realistic price. It is the chosen method of installers representing 90 per cent of the industry; it has a 20-year history in this country, during which time much useful research and development has taken place; and it is recommended by the Department of Environment and the Department of Energy in their "Save-It" campaign.

Any cowboy element has been banned long since due to the industry joining with government in tightening up standards and regulations. Furthermore, we simply do not have many dissatisfied customers as the article contends: the more research is done on this subject, the more those outside the industry are surprised to find that the vast majority, who have experience of cavity foam, are thrilled with their comfort and fuel savings, quite apart from the discreet manner in which the job is normally carried out. Any cavity wall insulation is only as good as the operator on site and the company training him and backing his work. The foam industry has learnt to be professional over the years.

On the other hand, polystyrene beads have only been used for this purpose for a few years (they are not new, incidentally—just not acceptable to the majority of professional installers, who feel they are yet to stand the test of time). We know foam can last for the lifetime of the building and we do not feel laboratory tests to be similarly conclusive.

Cavity walls were built to keep out the cold and damp. They do this efficiently with cavity foam. Whereas bead manufacturers appear to think some movement of cold air in the cavity is an advantage. Neither we nor our draught-free customers have heard this argument before!

E. C. Hodgson.
178-202, Gt. Portland Street, W1.

Assets

From the Managing Director, Grindlays Humberclyde

Sir,—We are intimately concerned with the present controversy surrounding the capitalisation of leased assets, our own view being in complete harmony with that of the Equipment Leasing Association.

Present indications are that the accounting standards committee is likely to recommend capitalisation by the lessee and I therefore pose the following question. A farmer leases two tractors, having an original cost/value of (say) £12,000. He also leases 200 hectares of prime agricultural land, having a present value of c. £750,000. Under both contracts the lessee pays rental for the use of the appropriate asset. Is it being suggested that he should capitalise both the tractors and the land? The most material item, in this example, is obviously the land; to capitalise it will present a grossly misleading balance sheet and yet to capitalise the tractors and not the land appears inconsistent.

Consistency is surely best achieved by the respective owners capitalising their own assets, leaving the lessee to indicate his commitments by way of a note to the accounts.

W. G. Wade.
Coulton House, Barmby Road, Pocklington, York.

Pensions

From Mr. J. Rutherford

Sir,—Mr. Bankes-Jones (July 27) and Mr. Townsend (July 24) pick up a point in my letter of July 7 that nationalised industries could have pay-as-you-go pension schemes because these could be underwritten by the state, that is, us. I certainly did not mean to imply that this was desirable—quite the opposite—and Mr. Townsend rightly objects to any idea that civil servants or nationalised industries should get special treatment.

Both writers make suggestions for reducing the effects of inflation on pensions, but in the end these come back to the fact that a purely funded scheme will give a sure pension subject to inflation whereas a pay-as-you-go scheme gives an uncertain but inflation-proof pension. I believe that all companies, including nationalised industries, should be left to arrange their employees pensions in negotiation with those employees—after all pensions are part of total remuneration. Any Government interference in or underwriting of occupational pensions is completely unjustified.

The Government should concentrate on the basic cause of the problem, inflation. Successive Governments have caused the inflation that makes funded schemes inadequate—the remedy is to eliminate inflation, not to take over the pension business.

John Rutherford.
14, Great Stuart Street, Edinburgh.

Mortgages

From Mr. W. Murphy

Sir,—I refer to the letter from Mr. R. Bronks (July 26) but why, oh why, can it not be understood that there is no such thing as tax relief on mortgage interest and, therefore, no subsidy?

A man with a salary of £5,000 who pays mortgage interest of £1,000 has cash remaining, and a taxable income for all the purposes of the Income Tax Acts of £4,000 only. He was never liable to tax on £5,000 and would only have been so liable had he not paid mortgage interest. The common defect in our thinking is to assume the effect of not paying interest and adhering to that assumption when, in fact, interest has been paid.

Government and the majority of the population regard the deduction of mortgage interest as an allowance given by the legislation but, in fact it is not an allowance but a natural phenomenon; the man who pays the interest no longer has the money and cannot, therefore, pay tax; the recipient of the interest will have the money and will suffer the tax on it and it is a matter of utter indifference to the Government—tax will be paid—so where is the subsidy?

Remember the story of the wife who asks her husband for a fur coat which he refuses; she then suggests buying a new carpet with the money which he has saved by not buying her a fur coat. Saving tax on mortgage interest is the same story, differently clothed.

W. Murphy.
40, Outwoods Road, Loughborough, Leics.

Scrip

From Mr. S. Ghosh

Sir,—Would you permit me to support Mr. S. Lupin's plea (July 25) for scrip issues? I have also raised the question in an AGM but the chairman advised that he did not see that the shareholders would gain from it.

The dividend gain may not be *immediate* (it could be if the Government were persuaded) but there is a prospect in the long run, isn't there? Besides, the investors who may not desire to hold a particular share for a long time would have a legitimate gain from the extra number of shares. Whatever the shareholders' interest, the company loses nothing by issuing scrips. On the contrary, those companies who have unsubscribed shares in their books would probably find their share prices rising if they are able to have their authorised capital fully subscribed through scrips.

It is only right to put on record that there are companies who take a positive view on this subject and issue scrips to look after the shareholders' and their own interests.

Sunil K. Ghosh.
21, Woodfield Road, Peterborough.

Disasters

From Mr. V. Robinson

Sir,—Accountability, skill and the chartered engineer (Mr. Wilson's comments (August 3) on Sue Cameron's article quoting Bob Malpas) are related to features of earlier correspondence in your columns concerning registration of professional engineers.

Every person (not just a safety officer) in a responsible position concerned with design, operation and maintenance of process plants should by law, be a chartered engineer, or its equal in other technical professions. The public could then be assured that such responsibilities were being carried by persons who at the very least had a specified and approved professional experience and had achieved a level of academic knowledge acceptable to their professional peers.

In addition, and as important, the public would know that, as chartered engineers, such persons subscribe to a code of ethics in exercising their professional judgment.

This has been a live subject of debate for some time in the chartered engineering institutions but despite several official "enquiries" (currently Finniston) the public does not seem to grasp the point. In minimising risk of disaster to people and property, the chartered engineer must be regarded in the same light as a doctor who minimises the risk of serious damage or death through illness.

V. Robinson.
1a, The Crest,
Surbiton, Surrey.

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Problems for the 'cakes and ale' merger

BY KENNETH GOODING, Industrial Correspondent

THE CITY'S immediate reaction to the proposed "cakes and ale" merger between Allied Breweries, the Skol, Double Diamond and Long Life group, and J. Lyons, the tea and foods combine, ranged from puzzlement to outright hostility.

"A very strange deal," commented one puzzled stockbroker. Another said that "it is the concept, not the price, that worries me." For public consumption the brokers were having to take a more positive line. But they were having extreme difficulty to find anything positive to say in favour of either the financial implications of the deal for Allied or the industrial logic.

Perhaps the most important point made, by one broker after another, was that the deal raised worrying questions about how Allied views its future. "Does it see no real or significant growth in the British drinks market from now on?" it was asked.

Allied is already Britain's biggest drinks business, so it can by no means be described as typical. It is the product of a massive merger in 1961 when three already-large brewers got together. Their names remain on the pub signs today, although the average drinker might not know the name Allied Breweries, they certainly recognise Inde Coope in the South East, Ansells in the Midlands and Tetley Walker further to the North of England. Between them they have around 7,400 pubs.

The beer business is complemented by a wine and spirit division which includes Harveys, the Bristol Cream sherry concern, Babycham, the Grants of St. James's table wines as well as Nicolas French wines, Sansovino Italian wines, Goldener Oktober German wines and Don Cortez Spanish wines.

Through its Vine Products (VP) offshoot Allied has about three-quarters of the UK market for British wines, sherry and port style in the main. The cider interests are controlled by Coates, Gaymers and Whiteways. In soft drinks Allied owns the Britvic and Minster brands. Most of these products can be bought at its Victoria Wine off-licences.

Three purchases

In the past year or so it has made three purchases. The Teacher whisky group, whose Highland Cream is the second-best-selling brand in Britain, the Embassy Hotels concern, which owned 45 hotels, and Goldwell, a small speciality drinks business with products similar to Babycham which had just spread its operations from the UK to the U.S.

Allied had no problems in explaining just why these deals fitted logically into its existing operations. At first sight, the same cannot be said about J. Lyons. There is some overlap in soft drinks—Lyons is probably the biggest manufacturer of "own label" soft drinks for the supermarkets—and in catering: it has 27 London Steak Houses in London and the South East.

But Lyons is also Britain's biggest cake maker taking in Hales, as well as Lyons brands. It has 15 per cent of the packet tea market via Tetley and Lyons' teas. It is one of the country's top two ice cream producers, along with Walls.

Do these really fit with beer, wines and spirits?

Mr. Derrick Holden-Brown, Allied's deputy chairman, insisted yesterday that "it is not such a big step." Expansion into food had been one of Allied's targets for some time.

However, what Allied finds particularly attractive about Lyons is that it has more than half its business outside the UK.

The Netherlands contains Lyons' major overseas operations in Europe. It has the Homburg pig meat processing company there, the Beckers snacks (meat balls and sausages) concern, and Hooimeyer, which makes the Haust and Bussink brands of biscuits.

Elsewhere in Europe, Lyons owns Reybler in France. This company makes picnic products like dried hams and salami. In Italy there is Sapori, a Siena-based cake company and in Ireland Lyons is brand leader in packaged cakes and has 60 per cent of the tea market.

Other Lyons' food operations are scattered around in Australia, South Africa, Rhodesia and Zambia.

And it has a reasonable foothold in the U.S., where it has its biggest overseas business, through DCA Food Industries, which produces doughnut mixes and the machinery to go with them as well as other catering mixes. There is also the Baskin-Robbins ice-cream chain which has started to move outside the States and into Canada, Japan, the Benelux countries as well as the UK.

Ironically, it was Lyons' determination in the early 1970s to improve its internatonal postion as a food manufacturer by way of acquisitions and to reduce its dependence on the UK economy which brought it major problems.

Because of exchange control regulations, Lyons had to finance these purchases mainly by borrowing foreign currencies. In 1976, when the value of sterling dropped steadily compared with other currencies, the overseas debts looked even bigger when the balance sheet was being drawn up.

To make matters worse, the collapse of the UK property market made it difficult for Lyons to sell off surplus properties associated with the transfer of its baking and meat operations from the obsolete factory premises at Cadby Hall, in West London, to new purpose-built premises in Carlton, Yorkshire, and Northampton respectively. This helped push borrowings up even further.

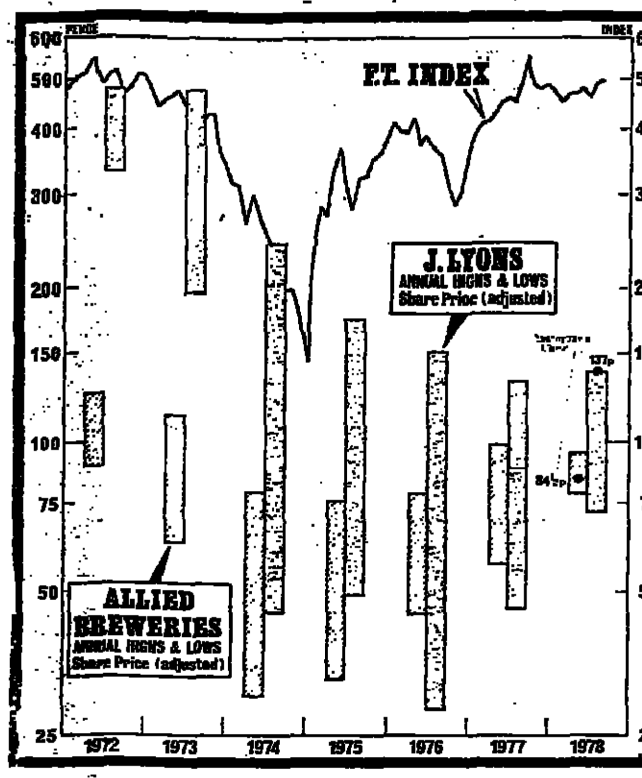
Lyons had a rights issue of shares in an attempt to get a more reasonable balance between the load of debt and shareholders' funds. But the continued decline of sterling necessitated further action.

Some substantial sales were made. Lyons sold nearly all its hotels in the UK and Ireland. The Wimpy beefburger franchising operation in the UK, built up by Lyons from 1955, along with Golden Egg and Bake'N' Take, was sold. And in the U.S. the Tetley tea and coffee business was disposed of.

Debt burden

Various changes were made to the structure of the debt burden at the same time as all this was going on. But Lyons still faced an uphill struggle. Mr. Neil Salmon said yesterday the Board was confident the company could recover by its own efforts. "But the rate of progress and the opportunities foregone because of our lack of financial strength persuaded us that the right decision was to get the financial strength of Allied behind us so that our recovery would be more rapid and the opportunities not be missed."

So it is Allied, the big financial brother, which appeals to Lyons.



As far as Allied is concerned, the Lyons' operations abroad would enable it more or less to double its business outside Britain. And, another plus point, both Lyons' and Allied's major European operations are in the Netherlands.

Allied invaded Holland as far back as 1968 when the Oranjeboom Brewery was acquired, followed shortly afterwards by the purchase of the Breda Brewery. The cost was around £16m. Today the two have been merged into Skol Brouwerijen which operates four breweries with a total capacity of 1.53m barrels (440.64m pints)—roughly one quarter of Allied's UK production.

The group's products are on sale in around 8,000 out of a total of 15,000 outlets in Holland, and Allied controls over a fifth of the Dutch beer market. In fact, it is the second-largest brewery there after Heineken, a long way ahead with a 60 per cent market share. Allied also has a 13 per cent share of the Dutch soft drinks market and a slightly smaller share of the wines and spirits business in Holland.

Allied was thus one of the first of the UK brewing companies to develop direct overseas interests, perhaps because it did not have to deal with so much rationalisation in Britain as other major brewers. Today, with the exception of Guinness, Allied earns proportionately more than any of its competitors from interests outside the UK.

The problem it faces in Britain is that it is so big already that any serious attempt to enlarge its drinks operations by way of a significant acquisition would certainly be halted in its tracks by the Monopolies Commission.

But many argue that Allied could squeeze a lot more in the way of performance out of its existing businesses.

Take the beer division, for example. Its problems were outlined in a recent Price Commission report which in most other respects was reasonably complimentary. The Commission suggested that the beer division's size, coupled with the widely scattered nature of its operations, "has brought difficulties often associated with longer lines of communication, sometimes inadequately motivated local management and a loss of identification by the work force with the objectives of the company.

"In particular the separation of production and distribution on the one hand and sales on the other, and the creation of large sales companies, have caused difficulties in communication and internal relationships. In turn this has had adverse effects on customer service."

It must be assumed that this is Allied's own assessment of the situation because the Commission did not have enough time to dig out that kind of sensitive information without help.

Allied's answer, which comes into effect in September, has been to reorganise the beer division into 11 separate companies, each becoming accountable profit centres. The reorganisation produced a major casualty and Dr. Bernard Kilkenny, formerly head of the beer division, quit because differences of opinion could not be resolved.

Keg beer

The changes are designed to halt the slide in Allied's share of the beer market, a slide caused partly because sales of Double Diamond, the keg beer which was formerly the group's best-selling beer brand, have dropped steeply—some say by as much as 20 per cent.

If all goes to plan, the reorganisation should show some benefits in year one but it will take around three years to make a major impact on the group's performance. Allied obviously feels that the same kind of decentralised approach to management can be employed with Lyons. "They will become the food division of Allied and will be left to get on with it," said Mr. Holden-Brown.

However, there is no doubt that many City observers would prefer Allied to stick to the businesses it knows. Memories came flooding back of the time, 10 years ago, when Allied announced a merger—potentially the biggest of all in the UK—with Unilever. The City did not like that idea much either. The proposed deal was referred to the Monopolies Commission, and during the enforced waiting period this involved, the companies decided not to go ahead after all even though the Commission gave them the all-clear.

There is, it must be supposed, some possibility that this little bit of history might be repeated if the bid for Lyons is, in turn, referred for Monopolies investigation.

Weekend Brief

All Greek

"SHE WAS RESPONSIBLE as the Queen of England is responsible," said a senior Onassis Group executive in New York, poo-pooing the more alarmist news stories of the week. Whatever they may feel privately about Christina Onassis' marriage on Tuesday to the former Russian shipping official, Sergei Kadzov, the Onassis management is putting a brave and understanding face on it. Suggestions that the hand which guides the Onassis tiller has fallen under some sinister Soviet influence are derided, not least say Onassis officials because the 28-year-old young lady is not the dominant managerial figure that her father was. "She has no influence except in a sort of consultative capacity," said one executive whose knowledge of the Onassis business dates back more than 50 years.

Nevertheless, Christina's interest in the business has not apparently been totally extinguished by her Russian romance for my conversation at the company's New York headquarters on Fifth Avenue was interrupted by a ten-minute call from Moscow. I was told that this was more or less a daily event and that although "Christina wants to lead her own life and be happy because she is a woman" she had by no means cut herself off from the men who run the shipping group on a day-to-day basis.

The company's wish to minimise her involvement is understandable—the Onassis group has the majority of its fleet on long-term charter to operators who do not want to be worried about the company's internal stability. But it contrasts somewhat with the impression of her role which was given both before and after Aristotle Onassis' death in March, 1975.

Onassis was consumed by the characteristically Greek desire to pass on a substantial inheritance to his son, Alexander. Although relations between father and son were often difficult and Alexander increasingly resented his financial dependence on his father, Aristotle doted on him and was grief stricken when the young man was killed in a plane crash in January 1972.

Christina's life had not been easy and by the time of her brother's death she had already displayed the impulsiveness and unpredictability which may have taken her to the Moscow wedding this week.

She was born in New York in December 1950 from Onassis's union with Tina Livanos whom he subsequently divorced and who went on to marry the Marquis of Blandford, and then Onassis's arch rival Stavros Niarchos. Both she and Alexander are said to have found their lives after the divorce difficult and to have nurtured the hope that their parents would remarry. But her life was notably rootless and her teenage years divided between the worlds of New York, London, Paris, Monaco and Athens. In 1971 she infuriated her father by marrying a California real estate man, Joseph Bolker who was 27 years her senior.

Within eight months she was divorced from Mr. Bolker, and when the death of her brother was followed by her father falling serious ill she was given, in 1974, a crash course in the affairs of the Onassis organisation. According to Mr. George Moore, former chairman of the First National City Bank: "She was present at practically every meeting I had with her father after her brother died. She was uncannily able to remember everything her father had told her, almost as if she had a computer in her brain programmed by Ari."

Christina signs: a question of floating assets.

It is hard to tell whether, as the Onassis management would now seem to have us believe, Christina has ever been anything more than a figurehead. In the Press she was credited with a number of important decisions but the only one which Onassis executives in New York will acknowledge was the hiring of Mr. Louis Anderson from Exxon Corporation to run Olympic Maritime, which manages most of the group's shipping operations out of Monaco.

During the period of 18 months to two years after her father's death, Onassis' former colleagues did nothing to destroy the impression that this troubled and beleaguered young lady was in charge. One story that was gossiped around shipping circles in Athens was that in October 1976 she had overruled her advisers and insisted on putting five bulk carriers on a three year charter to Sovfracht, the Soviet shipping agency. She believed that an already bad shipping market was going to become worse. She was proved right and had bargained well with her Soviet client who was represented by a Mr. Sergei Kauzov.

Onassis executives expect her to return to the fold. "In ten years time she will be one of the brightest in the shipping business. She says when I come back if I feel like taking over, I will take over. But now I don't want any responsibilities" was how her current attitude was described. In the meantime she will live in a small Russian apartment with a man who was described to me as "Like all Russians, sensitive and moody."

Bankers' orders

The new push by the banks, particularly Barclays, to extend their opening hours, could be an expensive operation. The experimental opening of a further nine branches as bureaux de change on Saturdays planned by Barclays, for example, will involve the payment of substantial extra salaries for shift work.

The agreement which the bank reached for Saturday opening at its Brent Cross branch, an exceptional situation where full banking services will be available, required special negotiations. And if the bank goes ahead with its ideas outlined recently for more flexible weekday hours at up to 20 branchs it is likely to have to meet considerable extra costs.

This is the price which will be paid for a move which represents an attempt to reverse a long-term trend towards a reduction in the availability of banking services. Saturday morning opening, once general, was ended in 1969, and since then bank staff unions have remained strongly opposed to its general restoration.

For a time after that, the banks continued to maintain late evening opening, outside the normal 9.30 to 3.30 hours, on at least one day a week throughout the then 8,000-strong branch network. In 1970, however, the banks received the results of a special survey prepared by Urwick Orr.

This showed, among other points, that evening hours attracted an unexpectedly high level of business in many branches, mostly from private individuals, in spite of the fact that a high proportion of customers had not been made aware of the facilities being offered.

On the strength of that report the banks decided to cut the number of branches which opened in the evenings to about 2,500. Since then, the numbers have dwindled further. The Price Commission, in its report on bank charges earlier this year, noted that "in 1972, about 2,800 branches of the major London clearing banks were open on some evenings, but this number has been reduced to about 900 due to alleged lack of demand."

The need for longer opening hours has to some extent been reduced by the increasing adoption by the banks of cash dispensers and credit cards. The growing sophistication of the machines being installed outside the branches means that in most urban areas at least the customer can get access to the basic facility of drawing money out of his account outside normal hours.

The Commission, though, was obviously sceptical about the extent to which these arrangements provided a real alternative and about the arguments presented by the banks that there was little demand for an extension of hours. "We believe," its report said, "that the customer should be able to obtain the services he needs from his bank at mutually convenient times," and the Commission urged that the banks should seek ways of achieving greater flexibility.

Just how far the recent developments can be seen as a response to that argument is unclear. It is more probable that they represent an attempt to overcome the increasing inroads which have been made on the basic banking business by competitors such as the building societies. Customers could be justified in asking, though, who will end up paying the extra cost.

After the deluge

The heavy rains of the past week have done much more damage to the slowly ripening grain crops in southern England than first reports had indicated. This is because the continuing humid cool weather has compounded the physical damage. An isolated thunderstorm followed by hot dry weather has little overall effect but after near saturation for the week straw becomes rotten, diseases run riot and immature grain will sprout before it is fit to harvest.

The situation on a large farm in Hampshire illustrates just what has happened since last Saturday. Winter barley which was being harvested then at the safe moisture content of 16 per cent was being combined yesterday at 23 per cent. This means expensive drying to make it safe for storage and a loss of a potential malting market for which the balance was suitable. Instead of a good bright berry the grain is stained and there is a possibility that some will have started to germinate. Because of the damage it is estimated that the yield when the combine harvesters restarted was at least 10 per cent less than a week ago.

Wheat which was looking quite well has been badly knocked about and the colour has changed from a healthy green to a variety of shades indicative of different fungus infections. It is as yet impossible to assess just how much damage has been done but the badly flattened crops could be very seriously affected. In the worst cases fungus infections can cause at least 50 per cent drop in potential yield but there is hope that the crops were too far forward when the rain came for them to be seriously harmed by these diseases.

Some spring-sown barley has been laid flat but most of it, being a rather thin crop this year, is still standing. Where it has been laid the most obvious danger is from regrowth which is already happening in crops that were damaged some weeks ago. This results in very uneven ripening and a very poor sample.

The remainder of a crop of ryegrass for seed of which half had been harvested is now a dead loss. The remaining seed has been beaten into the second growth and is sprouting. Its disposal provides a problem because it is now completely valueless and the land will be needed for the next crop.

A field of canning peas has been ruined except for animal feed. Instead of ripening a large proportion of the pods are splitting and the peas are sprouting. Only a prolonged heatwave will prevent them becoming a total loss.

Back fire

Now that Air Canada has started a direct flight to Saskatoon, Saskatchewan, Britons have another worry on their hands—skunks!

A leaflet has been issued about skunks, headed, "Ready, Aim . . ." The skunk, it says, has reached the pinnacle of scent development. Two glands near the base of the tail produce a thick, oily fluid, yellowish in colour. Each gland, about the size of a grape, contains a table spoon of musk, sufficient for five or six sprays.

Being unaggressive by nature, it prefers to retreat from any danger, growling, hissing and stamping its front feet. It continues: "Sometimes it will walk on its front feet with its tail high in the air. In this stance, however, it is unable to spray."

The time to get worried is when a skunk humps its back and turns into a U-shaped position, so that both the head and tail face the enemy. If you ignore this final warning, then. . . . The stream of fluid ejected from the glands disperses into a fine mist, which can reach as far as 20 ft. The skunk's aim is only accurate for about 10 ft, though, the leaflet points out on the wind, the smell can carry for up to half a mile.

Says the leaflet: "A mixture of vinegar and detergent is a simple and effective treatment; veterinarians recommend a bath in tomato juice. The best possible solution is to circumnavigate the problem and avoid skunks wherever possible. Especially keep clear of tame skunks—they, in fact, may be rabid."

Contributors:
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Economic Diary

TO-DAY—Mr. Merlyn Rees, Home Secretary, speaks at Breightmet, Bolton. Mr. Michael Cocks, Parliamentary Secretary to the Treasury and Chief Whip, addresses meeting at Sidmouth, Devon.

SUNDAY—Mr. James Callaghan, Prime Minister, addresses Royal National Eisteddfod, Cardiff.

MONDAY—Small Business Bureau statement on tax payers rights charter. Talks on industrial civil servants' pay claim resume with Civil Service Department. Wholesale price index (July—provisional). Hire purchase and other instalment credit business (June). Housing starts and completions (June). House renovations—works completed (2nd quarter). Slum clearance (2nd quarter). Retail sales (June—final).

TUESDAY—Unions representing several hundred maintenance workers on strike at UK docks meet British Transport Docks Board. French air traffic controllers to discuss grievances with M. Joel le Theule, Transport Minister. London clearing banks' monthly statement (mid-July). UK banks' eligible liabilities, reserve asssets, reserve ratios and special deposits (mid-July).

WEDNESDAY—Trades Union Congress economic committee meets, Congress House, London. Central Government financial transactions (including borrowing requirement) (July).

THURSDAY—Finished steel consumption and stock changes (2nd quarter provisional). Provisional figures of vehicle production (July).

FRIDAY—Department of Trade "Trade ind Industry" publication will include comprehensive notice to importers on EEC surveillance licensing arrangements for iron and steel products. Usable steel production (July). Building Societies' receipts and loans (July).

COMPANY NEWS + COMMENT

France leaves Audiotronic £1.3m in the red

A £1.28M LOSS is reported by Audiotronic Holdings, the Laskys hi-fi and audio equipment group, for the 61 weeks to March 4, 1978. In the preceding 52 weeks a pre-tax profit of £1.29m was reported.

The exceptional loss from the discontinued Laskys France operation exceeded the directors' June forecast of not more than £1.5m by reaching £1.7m, while the profit of the continuing group was well down from £1.29m to £0.42m.

There was a tax credit of £247,000 (£677,000 charge) and there were extraordinary profits of £282,000 (£34,000 debit). Last year there were minority interests of £114,000. Sales were £36.35m (£30.36m), with the £4.97m turnover of Laskys France excluded.

The attributable loss came out at £770,000 compared with a £476,000 profit, and the loss per 10p share is shown at 8.8p against earnings of 4.4p.

A dividend of 0.2p is to be paid to retain trustee status and directors have waived rights to payments on their 3.19m shares. Last year a 3.25p dividend was paid.

Directors say consumer sales are not showing the expected boom, but say the October to December period is the crucial trading time. While 1978-79 is expected to be profitable it is too early in the year to make a forecast, they say.

A circular detailing the issue of £1.5m of 12 per cent cumulative participating redeemable preference shares in the rescue deal following the heavy French losses, has been sent to shareholders.

Mr. G. W. Smith, the former chairman, says Laskys France has proved to be a financial disaster for the company and an error of judgment by the Board.

He says that in simple terms Audiotronic lost a substantial proportion of shareholders' funds on the operation, although the fundamental businesses in the UK and Holland remain sound even after writing off the debts due from Laskys France.

He says that had not the £1.5m rescue been negotiated before news or rumours of events in France became public, the continued existence of the company was threatened.

The three newly appointed directors, Mr. Geoffrey Rose, Mr. Daniel Sullivan and Mr. Benson Selzer, are, with their associates, subscribing for 2.5m of the preferred shares. Mr. Rose is now the group's chairman.

Mr. Rose says in the circular that sales in the UK retail and wholesale companies so far are ahead of the same period last year, although he points out that the period last time was depressed, and any comparison was likely to be flattering.

An unaudited balance sheet included with the circular shows net current liabilities of £125,000 (£571,000 assets) with the £9.15m of current liabilities including a £1.23m provision relating to Laskys France. This includes the £1.7m exceptional loss less amounts due to members of the continuing Audiotronics group.

A pro forma statement reflecting the issue shows net current assets of £1.29m with net tangible assets of £3.23m.

The meeting to approve the issue of shares is to be held at Winchester House, EC on August 29 at 11 am.

● comment

The combination of low UK demand for hi-fi equipment and the disastrous investment in France has been a painful experience for Audiotronic. The profit from on-going operations slumped from £1.29m to £0.42m and the £1.7m French loss has had to be covered by a placing of £1.5m in new capital. The loss, in fact, was around £0.2m more than first forecast because additional stock had been despatched before the decision to withdraw. In total the French venture soaked up about £0.7m of group stocks and this meant that home demand, hat as it was, could not be satisfied. All this leaves the company looking rather fragile and badly in need of a big jump in volume sales. At the moment the upturn in consumer spending is only filtering through slowly, so a full recovery is still a long way off. Like the toy companies, much will depend on the run-up to Christmas, when around 50 per cent of profits are earned, but to fill in the summer trough the company has moved into calculators and photographic equipment. At 15p, the capitalisation is £1.75m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div	Total for year	Total last year
Adams and Gibbon ...int.	1.75‡	Sept. 22	0.88	—	4.35
Audiotronic	0.2	—	3.25	0.2	3.25
Beaumont Properties int.	1.17	Oct. 2	1.16	—	3.5
British American Trust	0.73	Oct. 4	0.65	—	1.65
R. H. Lowe ...int.	1.33‡	Oct. 2	0.88	—	3.9
M.L.	2.81	Oct. 6	2.84	4.31	3.86
S. Pearson ...int.	3¶	Oct. 9	2	—	6.81
Phoenix Timber	2.29	—	1.84	4.29	3.84
Schlesinger Am. sec. int.	4.25§	Aug. 30	4.25	7.25	7.25
Watsham's	2.38	—	2.11	4.03	3.61
Scottish United ...int.	0.65	Sept. 29	0.52*	—	1.66*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Increased to reduce disparity. § Gross throughout. ¶ Increased in connection with offer to buy minorities of Pearson Longman.

Watsham's improves to £0.59m

An improvement in pre-tax profits from £507,484 to £591,091 is reported by Watsham's for the year to March 31, 1978. First half profits had risen from £207,500 to £248,000.

After tax of £164,258 (£252,504) earnings per 25p share are shown as 17.7p against 10.5p. The final dividend is 2.3775p raising the total from 3.6060p to 4.0275p, the maximum permitted.

If free to do so, the directors intend to pay higher dividends in the future.

Turnover for the year amounted to £2.2m compared with £3.73m. Attributable profit is £389,673 against £1.26m after an extraordinary credit last time of £1.03m, and minorities.

The group makes and supplies specialised products in the electrical, optical and pharmaceutical industries.

Mr. Alexander Gourvitch, chairman of The Phoenix Timber Company . . . profits down from £2.35m to £111,000 are only a temporary setback.

ML reaches peak £0.7m with further rise likely

WITH pre-tax profits ahead 39 per cent to a peak £708,000 for the year ended March 31, 1978, the directors of M.L. Holdings say current year orders are considerably ahead of last year and the outlook is most encouraging.

When reporting a 71 per cent jump to £276,743 in the first six months, the board was confident that the year's results would show a satisfactory improvement over the previous year.

Earnings per 25p share are shown as 16.02p (11.53p) and the final dividend is 2.808524p making a total of 4.308524p compared with 3.85838p previously.

Turnover for the year amounted to £12.29m against £10.02m. Tax takes £368,000 (£258,000) leaving net profits at £340,000 compared with £250,000. Dividends absorb £106,000 (£97,000) and £1.45m (£1.22m) is carried forward.

M.L. Aviation Co., at White Waltham, had a considerably increased level of activity during the year, the directors say. To enable the company to meet its research and development contractual requirements an additional office is being opened in Bristol. M.L. Engineering Co. at Slough have also benefited from this increased level of activity.

The Crown Foundry Co. expects to commission the iron casting vacuum process at the new site in Northampton during this summer, while M.L. Refrigeration and Air Conditioning has been re-organised to concentrate on commercial and industrial refrigeration and air conditioning equipment. M.L. Components continued its satisfactory growth throughout the year.

● comment

ML Holdings' profits jump of two-fifths is distorted by industrial unrest at Slough in the previous year. Nevertheless a second-half profits increase of a quarter is a fair indication of the year's progress and was enough to send the shares 5p higher to 160p. Aircraft equipment for defence work, accounting for over half of sales, continues to show steady growth, while signalling equipment (for railways) accounts for much of the margin increase. The other buoyant division was the small electronic component operation selling imported goods from the U.S. and Sweden.

The aircraft side is a steady long slog for the business with the Government continuing to commit money to R and D—and ML also stands to benefit through its overseas sales. One of the real problems is the foundry side. ML has spent heavily on new technology and it has hit "teething" problems which will affect interim profits. Long term this development will open up new horizons for the foundry division which to date has been based on piano frames. This year profits could reach between £800,000 and £900,000 but the p/e of nearly 10 and yield of 4 per cent is high enough for present.

Second half loss at Phoenix Timber

A LOSS in the second half by the Phoenix Timber Company left pre-tax profits down from £2.35m to £111,000 for the year ended March 31, 1978. Sales were lower at £33.83m against £37.33m.

After tax of £25,000 (£242,000) earnings per 25p share are shown as 2.7p against 73.4p in the previous year. A final dividend of 2.29750p makes a maximum permitted total of 4.29750p compared with 3.84498p—the directors expected to pay a final of 2.2633p.

The Board expresses the view that the trading setback is only temporary. The loss of £409,000 in the second six months of the year after a profit of £520,000 (£1.41m) in the first half was due to the continuing depression in the building industry and to the competition for available business which reduced both sales and margins.

Selling prices and stock values were further adversely affected by the recovery in the Sterling exchange rate and the necessary provisions have been made against stockholdings at the year-end.

In the first quarter of the current year, the group's external sales have increased by 10 per cent compared with the corresponding period last year, timber selling prices have shown some recovery and the group has returned to profitability.

With substantial reserves, the group's accounts for 1977-78 will show funds of 343p per ordinary share (345p in 1977), even after allowing for the increased dividend.

	1977-78 £000	1976-77 £000
External sales	33,827	37,373
Trading profit	1,705	3,730
Depreciation	547	446
Interest etc	1,047	935
Profit before tax	111	2,349
Tax	25	242
Net profit	86	2,107
Extraordinary debit	3	259
Minorities	6	—
Attributable	77	1,848
Pref dividend	3	3
Ordinary dividends	125	110
Debit retained	49	†1,735

† Surplus.

● comment

Results reported by timber companies recently have hardly been sparkling. And Phoenix Timber's latest full year declaration represents the worst of the bunch. Timber prices have been weak throughout much of Phoenix's last financial year, due to currency factors and flat demand. In these circumstances the large companies such as Montague L. Meyer have held their own while the smaller concerns, such as May and Hassell and Phoenix have had a fight on their hands retaining market share. Phoenix has been losing market share quite sharply. The overall drop of 9 per cent in value sales masks a sharper drop in volume terms. Over the two six monthly periods the fall was more startling: with a 5.8 per cent fall in value sales accelerating to 12 per cent in the second half. Even so the group is talking only in terms of a "temporary setback." There are no evident balance sheet strains although stocks show a slight increase on the previous year, and total borrowings are increased by £1.5m. So perhaps the group might tempt a buyer, particularly now the 25 per cent stake held by Royco has been disposed of. The shares at 155p stand on a p/e of 59.5 and yield an uncovered 4.1 per cent, a rating which is supported by net assets of 343p per share.

Adams & Gibbon downturn

PRE-TAX profits of Adams and Gibbon, garage proprietor and motor dealer, fell for the six months to May 31, 1978 from £261,000 to £235,000 on turnover of £10.31m against £9.04m. Profit for the full 1976-77 year was down from £632,524 to £559,046.

Prospects for new car sales for the second half appear to be fairly good, directors say, and with the anticipated improvement in commercial vehicle performance, the group should finish the full year, they feel, with a satisfactory level of profitability.

Mr. Gordon Adams, chairman, said in March that the current year had started only modestly. And, he now says, although new car sales for the latter part of the first half were very buoyant, the sluggish used car market conditions during the earlier months limited overall earnings improvement, from this sector of group operations.

Commercial vehicle sales have not, as yet, matched up to last year's profitability level, he adds, partly due to supply problems. But steps have been taken to rectify the situation, and anticipated benefits here are hoped to show through in the latter half.

Mr. Adams says the service and parts operation made a solid contribution to profit, although once again the group's petrol marketing activities had to contend with severe price competition.

To reduce disparity the interim dividend is increased from 0.875p to 1.75p net per 25p share—last year's final payment was 3.475p.

	Six months 1977-78 £	1976-77 £
Turnover	10,312,060	9,043,000
Trading profit	349,000	376,000
Interest payable	113,000	115,000
Pre-tax profit	235,000	261,000
Tax	125,000	140,000
Net profit	110,000	121,000
Preference dividends	2,830	2,830
Interim dividends	31,390	15,720
Undistributed	75,870	102,650

Intereuropean sales cut debt to £12m

MR. LAURIE MARSH'S Intereuropean Property Holdings has sold the freehold of London's Windmill Theatre as part of a property disposal programme that has cut group borrowings over the past year by £11m to £12m.

The Windmill freehold is believed to have been sold to Mr. Paul Raymond's theatrical and publishing group, which holds a long leasehold on the building.

The sale produced part of the £2m raised by Intereuropean from sales of British properties since its last published accounts to the end of July 1977. And in a preview of its 1977-78 accounts the group reported yesterday that despite a £1m a year expenditure on the development of its Classic cinema chain, the UK sales, other sales agreed but not yet completed and the £9m raised from French property sales reported last year, will have reduced the group's overall debt by October this year to £12m, and will have cut short term borrowings from 1977's £14m to just £3m.

Commenting on the group's performance yesterday Mr. Marsh said that although a further £2m may be raised from the sale of British property developments in the next year or so, the group's general property disposals programme was now completed.

Mr Marsh revealed that, in the year to July 1978, attendance figures for the 150 screens in the Classic cinema chain were 17 per cent higher than in 1977, and that the box office take for the year was 40 per cent higher. Looking to the current financial year the group's five-year-old rental agreement with Mecca, which has been paying £360,000 a year for the use of Intereuropean's bingo halls, came up for review at the beginning of August. Intereuropean's call for a higher rent is unquantified. But Mr. Marsh does note that residual bingo interests held by the group outside the Mecca agreement are over 50 per cent more profitable than when the Mecca rent was agreed in 1973. The rent review is now to be settled by arbitration.

In the United States, Mr Marsh reports that the group's property interests are now self-financing, and that the U.S. operation is expected to make a positive contribution to group profits in the current year.

The accounts preview, which helped the shares to firm 1p to 35p, also included a promise to shareholders that their 1977-78 accounts would be published some months earlier than last year and certainly before the end of this year.

Answering the perennial question about the delay in the publication of the group's accounts, Mr Marsh explains that after decentralisation of the group's management the headquarters staff is reduced to just two people. As publication of the accounts is now moving closer to the year-end, he feels that it would be an unreasonable expense to take on additional headquarters staff just to bring together audited subsidiary accounts a few weeks earlier.

Crystalate sees over £522,000

The directors of Crystalate (Holdings) state that the outlook for all group divisions, based on current orders, is encouraging and they expect pre-tax profits for the full 1978-79 year to exceed last year's record £522,000.

And this is before taking into account the first six months results of recently acquired EIH Electronics, and some six weeks of Osborne Electronics.

As reported on August 2 directors said that Crystalate should double its turnover for the current year as a result of the acquisition of Osborne as well as Greendale Electronics.

First-half pre-tax profits of Crystalate to March 31, 1978, rose from £192,000 to £257,000 on turnover ahead from £2.02m to £3.47m. Earnings per 5p share are shown at 1.44p (1.12p) after tax of £122,000 (£89,000).

Equitable Life Assurance

The Equitable Life Assurance Society, the oldest mutual life company in the world, has reacted quickly to the Finance Act 1978 open market cash option provision for self-employed pension policies (see page 7) by announcing that subject to Inland Revenue approval being obtained it will allow cash options under its existing and new contracts. This cash option will represent the full cash equivalent of the full pension benefits without any deduction of any amount by way of penalty.

The company is a leader in marketing self-employed pension contracts and intends to introduce this facility, which will provide greater flexibility for the investor, by an endorsement to existing contracts.

Commercial Bank of Wales ahead

An increase in pre-tax profit from £278,000 to £416,000 in the six months to June 30, 1978 is reported by the Commercial Bank of Wales. Operating profit was up from £1.05m to £1.17m while interest charges fell from £0.77m to £0.75m. After tax of £185,000 (£105,000), net profit was £231,000 (£173,000).

Sir Julian Hodge, the chairman, says the improvement took place in all aspects of the group's business and was achieved in a period of intense competition.

He points out that while demand generally has increased there remains a significant under-utilisation of UK industrial capacity. However, there has been a notable upturn in the number of approaches the bank has received from potential customers, although the draw down of funds continues to be at a comparatively low rate.

There are, however, firm indications that industrial investment is improving which should help in making further progress in the second half. For the future Sir Julian says that the unlisted group is well set for another record year. Last year pre-tax profit was £648,000 and a £150,000 dividend was paid.

He says there has been a further rise in the bank's clearing turnover and a significant increase in the number of current and deposit accounts. Its branches in north and south Wales are making a growing impact.

Forthright Finance has again made a significant contribution to profits and has further developed its business volume. Its overseas subsidiaries in Jersey and the Isle of Man have continued to expand and there has been an encouraging increase in both deposit and current account business.

Tighter margins and costs check R. Lowe

Turnover of Robert H. Lowe and Company, clothing manufacturer, rose 26 per cent to £2.81m but as a result of tighter margins and increased operating costs pre-tax profits for the 26 weeks to April 28, 1978, fell from £233,865 to £216,002.

Unseasonable weather as well as a disappointing performance in certain sectors of the retail trade has affected sales in the second half to date, with the result that stocks are higher now than this time last year.

The directors say that although there are encouraging signs that trading conditions will improve in the autumn, they do not expect any improvement in the level of profits for the full year against the record £440,333 for 1976/77.

To reduce disparity the interim dividend is increased to 1.33p (0.875p) net per 25p share — last year's final payment was 3.025p.

Pre-tax profits included lower revenue credits this time of £341 compared with £10,245, and was subject to tax of £112,500 (£122,000). Dividends took £22,536 (£15,790) leaving a balance of £80,966 against £96,075.

Brickhouse Dudley growth

Mr. R. N. Huxtable, the chairman of Brickhouse Dudley, said at the AGM that following the record pre-tax profits of £2.02m for the March 31 1978 year, he would be disappointed if profits for the first half of the current year were not some 30 per cent better than last year, so being around £1.05m, against £0.8m last time.

Gartmore Far Eastern best performer

By Adrienne Gleeson

Unit trusts invested in the Far East emerge, from figures compiled by the magazine Planned Savings, as the best of this year's performance so far. They dominate the upper ranks of the performance table for the seven months to the beginning of August, with 17 out of the top 20 places.

The best performer of all has been Gartmore's Far Eastern Trust, with a gain of over 61 per cent. The units in three other funds invested in Far Eastern markets, benefiting from their strength, have risen in value by over 50 per cent.

Gartmore attributes the outperformance of its fund, in particular, to the fact that a large part of its portfolio is invested through the Hong Kong market. Managers of the fund—which was started less than two years ago—reckon that the economic potential of the area will offer scope for consistent long-term growth.

Also featuring among the stronger of the year's performers so far have been some of the commodity funds, benefiting in particular from the rise in the price of gold. Britannia Minerals has risen by over 34 per cent, M and G Commodity and General by 25 per cent, and Gartmore Commodity by over 24 per cent.

Of the 357 trusts whose performance is monitored by the magazine, only a dozen have ended the first seven months of the year with their units valued lower than they were when they started it. But over 40 trusts underperformed the FT Industrial Ordinary Index, and more than a hundred underperformed the All-Share Index.

Dividend amendments

General Electric Company—Following the passing of the 1978 Dividend Act, the 0.335p proposed dividend has been invalidated. The Board will now recommend only a final of 2.045p making 4.045p—maximum permitted—for year to March 31, 1978.

Butterfield Harvey—Final dividend is reduced from 2.125p to 1.24p, the maximum permitted.

Wilkinson Match—Treasury has confirmed that the final of 6.21823p for year to March 31, 1978, forecast in February, may be paid.

Scottish Metropolitan Property £17m surplus

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

Scottish Metropolitan Property's shares have been edging up in recent weeks in anticipation of the portfolio revaluation promised at the time of the half-year results in April. But yesterday's news of a £17½m revaluation surplus, taking the portfolio value to £61.2m and undiluted net assets per share to just over 136p, fell too closely in line with external estimates to provide any further enthusiasm for the stock. At the close of trading yesterday Scottish Metropolitan's shares had fallen 4p to 110p.

On a fully diluted basis the revaluation raises net assets per share from 86p to just over 112p.

The group's properties, held in the books at £43.8m on a September 1973 valuation and at cost, have been revalued by Bernard Thorpe and Partners on an open market basis as at February 16. Although the property investment market has cooled since February, the valuation carries no qualifications on that score.

The valuer shows that £57.9m of the properties (94 per cent) are held as freeholds. And it estimates that the portfolio's current open market rental value would be around £6.5m a year against the £2.8m rent roll reported in 1977. As the bulk of Scottish Metropolitan's rent reviews fall due in the early 1980s it is one of the major beneficiaries of the projected "concertina" of rent reversions that is now generating interest in the property share sector.

The group reports further property sales in its portfolio up-grading programme bringing in £280,000, and it has spent a further £800,000 on property acquisitions or developments since its half year results in February. Other developments and acquisitions planned for the rest of the current financial year are expected to cost a further £2m, all of which will be covered by internally generated cash.

Midway rise at British American Trust

From gross revenue up from £731,812 to £894,382 attributable earnings of British American and General Trust advanced from £403,943 to £434,787 in the June 30, 1978 six months.

The attributable profit is after expenses of £183,409 (£66,141), tax of £260,666 (£266,208) and preference dividends of £15,530 (same).

Earnings per 25p share are shown as 0.87p (0.82p) and the interim dividend is up from 0.65p to 0.725p net. Last year a 1p final was paid on a full year revenue of £844,355.

The net asset value is shown at 34.3p (30.2p) and 34.2p (30.1p) fully diluted. During the period £226,835 of loan stock was converted.

Results due next week

Commercial Union and General Accident provide the first batch of interim results from the insurance composites next week. First half profits are also expected from Automotive Products, Carrington Viyella and Glynwed, while Letraset is due to announce full-year results.

All is well these days for those composites heavily involved in the U.S. and this should be confirmed this week when Commercial Union report on Monday, and General Accident on Wednesday. The underwriting cycle in that country is on a strong upward trend and once again companies in the U.S. are writing insurance in conditions of profitability. The results so far reported by U.S. companies for the half-year are much better than expected.

This is just as well for CU and GA, because their UK business, normally profitable, has been experiencing heavy losses in household and motor business this year. The problems of under-insurance are not being overcome in the former account while while motor business is suffering an increased number of claims. However, investment income remains buoyant and the market expects CU to have first half pre-tax profits of about £60m and GA of about £34m despite overall underwriting losses of £4m and £9m respectively.

There is quite a range of forecasts for Automotive Products, the vehicle and aircraft equipment manufacturer, where results for the six months to the end of June are due on Tuesday. At the top end of the range some brokers are going for between £7.5m-£8m pre-tax while at the lower end one analyst is going for £6.8m. For the comparable period Automotive turned out taxable profits of £6.3m. There may have been some softness in demand for Automotive's replacement products, which account for around a third of sales, reflecting destocking by distributors. There are also reservations about the effect that currency movements will have had on export margins. Otherwise the original equipment market is still weak. For the year forecasts range between £15.5m and £16.7m, compared with £13.6m pre-tax. The second half will be supported by two recent acquisitions in France.

The effects of higher consumer spending are only slowly working through to the textile industry, so Carrington Viyella's first half profits, due out on Wednesday, may not provide much excitement. While there are no re-organisation costs this year—they amounted to £2m in 1977—analysts generally see a flat first half with the favourable effects of the multi-fibre agreement and higher wage packets making a more marked impact on the second six months. For the first half their forecasts range from £6.5m to about £8m (£7.13m) and for the year between £17.5m and £18m, compared with £16.5m last time. This is based on an overall 5 per cent volume for the year combined with a few price increases.

Glynwed has been going through a rough patch lately but brokers still expect pre-tax profits of £7-7½m (£6.1m) from Wednesday's interim results. The sale of Cashmore's sheet steel side, which lost £1.2m in 1977, has recently fallen through although the company has already said the division made a "modest" first half profit. Elsewhere the biggest headache is South Africa (profits slumped 67 per cent last year), where as yet there is little sign of recovery. Trading has been mixed on the steel and building side but some stock profits from stockholding and another strong performance from copper tubes are expected. Full year forecasts range from £14.7-£16m but more interest will centre on the poorly covered dividend.

Estimates of Letraset's full year pre-tax profit, due on Wednesday, are neatly grouped in the £7.3-£7.5m range (£6.52m). This follows the company's recent forecast of profits "in excess of £7m" in the formal offer document for Randall. That acquisition, of course, will not be included this time but general demand for the group's products seems to be buoyant. Letraset's cover products and toys are growing well while the contract with Gillette has apparently been successful. Meanwhile there is still mileage to be had from dry transfers and the full potential of the overseas agencies is at last beginning to be realised.

Other results to note are interims from Rentokil Group, J. Bibby and Sons, Securicor, Security Services and Ultramar, and a final from Smith Bros.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
AGB Research	Thursday	1.2	0.758	1.1
W. G. Allen and Sons (Tipton)	Thursday	0.567	1.945	0.8
British Benzol Carbonising	Thursday	0.32	0.5645	Nil
Capital Gearing Trust	Monday	Nil	Nil	Nil
Clifford and Snell	Monday	0.154	0.4129	0.5123
William Cook and Sons	Tuesday	0.55	1	1
[illegible] Dixon and Sons Hldgs.	Thursday	0.875	1.4972	1
Cowan de Groot	Tuesday	0.55	1.171	0.72
Gold and Base Metal Mines	Monday	Nil	Nil	Nil
Guildhall Property Co.	Thursday	—	3.482437	—
Group Investors	Tuesday	0.65	1.05	0.72
Hallite Holdings	Wednesday	1.925	3.969	2.15
Hambro Trust	Monday	0.5	1.12	0.65
Heron Motor Group	Thursday	1.319	1.64	—
Howard Shutterings Holdings	Monday	0.77	0.78	0.85
Hume Holdings	Wednesday	0.975	2.7255	1.485
London Transport (Hldgs.)	Friday	1	2.44557	1.1
Midland Educational Co	Thursday	1.575	2.84026	1.5
New Witwatersrand Gold Exploration	Thursday	2.0664	3.91272	2.23734
Owen and Robinson	Monday	6	10	6
Benjamin Priest and Sons	Tuesday	1.05861	3.791805	1.267615
Scottish Homes Investment Co.	Thursday	0.5	0.6	0.6

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Smith Whitworth	Friday	Nil	Nil	Nil
Wagon Industrial Holdings	Monday	2.5	4.379	—
INTERIM DIVIDENDS				
Aaronson Bros.	Thursday	0.61	1.3815*	
Aquis Securities	Tuesday	0.225	0.445149	
Ault and Wiborg	Wednesday	0.85	1.3	
Automated Security (Hldgs.)	Thursday	0.4950	0.925	
Automotive Products	Tuesday	1	1.0429	
Carrington Viyella	Wednesday	0.59895	1.50505	
Clarke and Co.	Thursday	0.514	0.6661	
Commercial Union Assurance Co.	Monday	2.564	5.061	
Davies and Metcalfe	Tuesday	0.4486	0.5744	
Dunkle Heel Co	Thursday	0.364	0.4162	
General Accident Fire and Life	Wednesday	3.75	4.414	
Glynwed	Wednesday	2.45	5.55	
Mercantile Investment Trust	Tuesday	0.35	0.9	
Mount Charlotte Investments	Wednesday	Nil	0.4945	
Rentokil Group	Tuesday	0.62	0.951	
Securicor Group	Thursday	0.2985	0.9748	
Security Services	Thursday	0.687	1.2217	
Vogelstruisbult Metal Holdings	Wednesday	1.30122	1.75650	
Bernard Wardle and Co.	Wednesday	0.5	0.77	

UNIT TRUSTS

Looking for consistent performers

AS EVERY unitholder knows—you can't avoid knowing it, because the trust managers, beneath the watchful eye of the Unit Trust Association, make such a point of telling you—the price of units may go down as well as up. Past performance isn't much of a guide to future potential—certainly not when it comes to the highly specialised trusts with portfolios of shares which swing in and out of investment fashion. That said, however, there are some trusts which come up with a consistently solid performance, year after year: and that indicates good management, or good fortune in their markets, or—occasionally—both.

Such consistency cannot be claimed by most of the Far Eastern trusts which have dominated the performance tables in recent months and which, as last week's figures from the magazine Planned Savings indicated, continue to do so: no fewer than eight of the top ten performers over the first seven months of this year have been trusts invested in the inscrutable East. Of those, however, only three can boast a performance with real consistency to recommend it; and all of them were launched subsequent to the great Hong Kong crash of 1974.

According to the managers of this year's front runner, Gartmore Far Eastern—whose shares have risen by over 81 per cent in the first seven months—all this is set to change (see page seven): but in the meantime it's the trusts that invest in the shares of special situations in the United Kingdom that tend to hold the palm.

There are two of them on offer this week. M and G's Recovery Fund is something of a doyenne in its class: a stunningly consistent performer whose policy of investing in the shares of companies which are basically sound but temporarily in the doldrums left unitholders with their money doubled last year. This year they haven't had as much to rejoice over—and M and G is somewhat behind the times in repeating plaudits from the turn of the year. The plaudits are still due, but they are of a different nature now: the Recovery Fund is not this year's best performer, or anything like, but its managers have kept the unit price moving ahead, and by respectably more than the indices, at a time when conditions have been tough for a fund of this variety. That is the real test of quality. For those who want to participate, the minimum lump sum investment now is £1,000: or you can go in through the life-assurance linked savings scheme (strictly for the longer-term holder) at a minimum of £12 a month.

Target's Special Situations Fund is operating in much the same end of the market—looking to pick up on the cheap shares in those companies which are for temporary reasons out of favour—but in its present form it hasn't been going long enough to produce any evidence of consistency or otherwise. So this one is a bit of a gamble on what sounds like a sensible investment policy, though the trust does have two advantages as against those offered by M and G's version of the same. In the first place, you can put in as little as £300: and in the second, while the yield on the units is at the moment only just over 4 per cent, the managers are reckoning to pull it up to over 7 per cent (for those investing now) within the next 18 months.

Strictly speaking the high income funds do not compare with those investing in special situations, since there is one additional factor for the managers to bring into their investment policy. In many cases, however, the two are likely to find themselves in the market for much the same kind of shares. And as it happens Gartmore's High Income Fund, also on offer this week, has proved (though a little lower in the tables) to be a performer quite as consistent as M and G's Recovery Fund: and its managers have hit, this year, exactly the same problems in keeping up their record of capital growth. However, with a 12.9 per cent increase over the seven months (as against little over half of that in the All Share index, in the period to August 1 over which Planned Savings tables are compiled), existing unitholders do not have cause to grumble.

As for new unitholders, it is the estimated 9 per cent per annum gross yield that they should be concentrating upon—that and the fact that over 80 per cent of the porfolio is invested in equities, so that the distributions are likely to rise, year by year. The minimum investment is £200.

Chieftain's managers have gone in for the fixed price offer, now going out of fashion elsewhere, in presenting their High Income Trust this week. As it happens this means that those investors who decide to take advantage of it—before next Friday—are likely to do well: the fund has a handsome holding of J. Lyons' shares and the price of the units will benefit from the Allied offer. Chieftain's fund offers more than that of Gartmore—9.15 per cent—and since the equity content is almost 95 per cent, the distributions from the fund should rise rather faster too. However, Chieftain's record of capital growth is less consistent—though it has put up the best performance amongst the high yielding funds over the two years since its launch.

Meanwhile, for those who are more interested in capital performance than either consistency or income—that is, for those who not merely can but will move their holdings as seems to them appropriate—there are two more specialised funds on offer this week. The first of them is Arbuthnot North American—an offer neatly timed for the latest rise in the New York market, which is not reflected in the 21.3 per cent gain so far this year which the Planned Savings' figures show. The second is Schlesinger's International Growth Fund—another set to benefit from enthusiasm on Wall Street, since 51 per cent of the portfolio is invested in North America: but set, too, to benefit from the rise in the Japanese market to which Schlesinger's managers, like others, are looking forward: almost 20 per cent of the portfolio is there.

BIDS AND DEALS

J. F. Nash shares rise on Gailey scheme details

Shares of J. F. Nash Securities have risen 62 per cent since the announcement of a scheme of arrangement by which the company is selling a subsidiary to Black and Edgington, according to the document sent to shareholders yesterday.

An unusual aspect of the scheme is that consideration for the sale of the subsidiary, Gailey Caravan Group, is to pass direct to the shareholders of Nash. The consideration consists of share in Black and Edgington.

The transfer of Gailey from Nash to Black and Edgington is taking the form of a scheme of arrangement because neither side wants Nash to own 10 per cent of Black and Edgington's equity, says the chairman of Nash, Mr. J. F. Nash, in his explanatory statement.

Mr. Nash writes, "For J. F. Nash to exchange a 100 per cent interest in one of its principal subsidiaries for a shareholding of approximately 10 per cent in Black and Edgington would have represented a complete reversal of the management policies of the last few years. Secondly it was in any event unacceptable to Black and Edgington that another listed company should hold such a stake in its share capital."

Nash is also undertaking not to increase its holding of Black and Edgington equity beyond 7 per cent. And yet Mr. J. F. Nash himself will obtain a 6.9 per cent in Black and Edgington through the operation of the scheme and will be invited to join the board.

Nash has been able to overcome possible tax hurdles. Shareholders who receive shares of Black and Edgington as a result of the transaction will not be deemed to have made a disposal for capital gains tax purposes. Moreover leading Counsel has advised that the Black and Edgington shares will not constitute a distribution within section 233 of the Income and Corporation Taxes Act 1970. In other words the shares will not be taxed as a form of income either.

The redemption of the preference shares of Nash will give holders an increase in capital value of 233 per cent on the price prior to the announcement of the scheme.

The directors are proposing to redeem them because the scheme will reduce the net asset value of the company. The proforma balance sheet shows net assets reduced from £3.6m to £1.9m.

Scheme will be despatched not later than September 1, 1978.

MITCHELL COTTS

The Scheme of Arrangement for the acquisition by Mitchell Cotts Group of the 23 per cent minority in Mitchell Cotts Transport, having been approved by the minority holders and sanctioned by the High Court, became effective yesterday.

Definitive certificates for the 3.08m Ordinary shares in MCG allotted and issued pursuant to the

Vantona takes stake in John Foster

Vantona Group, the Manchester-based household fabric company, is broadening its base with a strategic stake in another textile concern.

It has bought 511,667 shares in John Foster and Sons, spinners and weavers of mohair cloths, worsted suitings and other fabrics, at 38p each, costing £194,433. Foster shares last night closed 2p higher at 40p, valuing the company at £5.75m.

A spokesman for Vantona said further purchases of Foster shares were not anticipated.

The Foster shares were bought at the end of last week, on the same day as the purchase of 1,457,500 shares in J. Compton, Sons and Webb (Holdings), manufacturers of military uniforms and headgear.

The Compton acquisition, which cost £466,400, lifts Vantona's stake in that company to 8.91 per cent. Vantona also announced that it was in bid talks with Compton over the shares it did not already own.

Vantona also has an approximate 27 per cent stake in Sekers International, which manufactures dress, furnishing and upholstery fabrics and curtains.

BENTALLS ACQUIRES CHATHAM STORE

Bentalls has purchased the capital of Edward Bates, a department store trading in Chatham, Kent, for £238,560—£113,796 in cash and £124,764 by the issue of 319,908 ordinary units in Bentalls at 39p each for which a quotation will be sought.

Bentalls has also acquired the lease of the adjoining premies from J. Sainsbury so that the two buildings can be combined to provide an enlarged department store of about 35,000 sq ft of selling space.

The Bentalls group already has stores at Kingston, Ealing, Worthing, Bracknell and Tunbridge Wells.

ROTHSCHILD INV.

On August 2 Mr. Jacob Rothschild acquired a beneficial interest in 53,300 shares in Rothschild Investment Trust at 208p. The company has also been notified by Mr. Rothschild that in respect of certain trusts and charitable trusts in which he has beneficial and non-beneficial interests, the information provided for inclusion in the annual report was inadvertently reported incorrectly as follows:

1—An interest acquired on September 30, 1977 of 14,000 shares by a trust of which he is a beneficiary should have been included.

2—A non-beneficial holding, acquired in 1972, by a charitable trust of 2,400 shares should have been included.

3—£5,000 6½ per cent Cum. Unsecured Loan Stock 1985-90 should not have been included as he ceased to be a custodian trustee of a charity in 1975.

4—404 shares of a non-beneficial interest in convertible preference shares should not have been included, likewise.

Mr. Rothschild's interest in the company is now as follows:—Ordinary shares 116,400—14,400 non-beneficial—Conv. preference shares 6,300—6,300—Conv. unsecured loan stock 1985-90 nil.

HOGG ROBINSON IN SCOTLAND

Hogg Robinson Group, the international insurance broker, is holding talks with a small Scottish based non-Lloyd's broker Collins Halden and Co. If the outcome is successful Hogg Robinson will largely purchase with shares Collins Halden's own capital.

Collins Halden, a private company, is based in Edinburgh, a part of Scotland where the insurance broking activities of Hogg Robinson are not strongly represented. So the group views the move as an important step in developing its broking network in Scotland.

NEWMAN TONKS—ECONA

In response to the offer on behalf of Newman-Tonks for the capital not already owned of Econa acceptances have been received in respect of 3,906,306 Econa shares. Together with the 150,000 acquired on July 4 this represents 98.3 per cent of the Econa capital. The offer has therefore become unconditional as to acceptances.

The Secretary of State for Prices and Consumer Protection has stated that he does not intend to refer the acquisition of Econa by Newman to the Monopolies Commission.

The offer will remain open for acceptances until further notice but the cash alternative has closed.

BPB INDUSTRIES

BPB Industries announces that resolutions approving the proposal to reduce the share capital by cancelling the 5.6 per cent cumulative preference shares of £1 each for a cash consideration of 95p per share were passed at a separate meeting and at an EGM. Application will be made to the High Court for approval of the proposal after the long vacation and, it is hoped the proposal will become effective before October 31, 1978.

ASSOCIATES DEALS

J. Henry Schroder Wagg and Company bought 50,000 Bowater at 199p and 5,000 at 198p on behalf of associates.

Earnshaw, Haes and Sons, brokers to Comben Group, on July 28, sold 5,000 Orme Developments at 57½p on behalf of an associate.

Sheppards and Chase sold 3,000 Albright and Wilson for an associate at 188p and 2,000 for an associate at the same price.

SHARE STAKES

Newman Industries: Company now has an interest in 891,249 Wood and Sons (Holdings) shares (22.28 per cent).

James Austin Steel Holdings: Trummanns Steel Group owns 352,000 shares (about 11.73 per cent).

CCP North Sea Associates: Cluff Oil has acquired a further 17,128 shares. Cluff Oil Limited together with an associate are now interested in a total of 115,481 shares (12.4 per cent).

J. Hepworth and Son: Mr. J. T. Rowlay, director, has ceased to have a beneficial interest in 10,811 shares. Mr. R. E. Chadwick, director, has ceased to have an interest in 12,141 shares.

Hickson and Welch (Holdings): Prudential Assurance Co has sold 25,000 shares. Holding now 1,342,747 shares (6.94 per cent).

Parambe: Mr. F. G. Hammond disposed of his interest of 5.56 per cent in company's shares on August 2.

Marley: Mr. E. C. Cook, director, has disposed of 25,000 beneficially held shares.

Blue Bird Confectionery Holdings: Mr. E. S. Nassar, director, sold 50,000 shares at 78p.

Samuelson Film Service: Mr. N. A. W. Samuelson, director, transferred on July 26 40,000 shares free of value to Mr. R. D. Flack and Mr. S. B. Samuelson in their capacity of trustees of a settlement made by Mr. N. A. W. Samuelson on behalf of his son, Mr. L. A. W. Samuelson, and others.

Aberthaw and Bristol Channel Portland Cement Co: Colguy Holdings has made further purchases of shares and total owned is now 513,436 shares (13.21 per cent) registered in various nominees' names.

Romney Trust: Commercial Union Assurance Co sold on August 1 230,000 shares leaving interest at 1,825,000 shares (6.59 per cent).

Wellman Engineering Corporation: Mr. J. James, of Tower Court, Ascot, Berks, with family trusts and other investments, over which he has control, now holds 565,000 shares (slightly more than 5 per cent).

Hewden Stuart Plant: As a result of bonus issue on July 14, Mr. Jamieson increased his holding by 290,520 shares to 1,743,121 shares. On August 2 he disposed of 60,000 shares reducing holding to 1,683,121 shares.

Associated Biscuit Manufacturers: Mr. W. A. Palmer, Mr. R. J. Palmer and Lord Palmer, trustees of R. H. R. Palmer Will Trust, have disposed of 14,520 shares.

General Electric Co: Sir Kenneth Bond, director, sold 8,000 shares at 280p on August 2.

Low and Bonar Group: Mr. D. H. De Trafford and Mr. H. C. Bowron, directors, and another, acting as executors, on July 28 sold 8,000 shares for £13,520 and £10,400 convertible unsecured loan stock for £10,920.

Advance by Glasgow Stockholders

After expenses and interest of £116,002 against £110,726 pre-tax revenue of Glasgow Stockholders Trust advanced from £254,481 to £289,300 for the first half of 1978. Gross revenue was ahead from £365,207 to £405,302.

As known, the interim dividend is increased to 1p (0.85p) net per 25p share absorbing £110,880 (£94,248) — last year's final was 1.55p.

Tax took £105,129 (£98,805) and earnings available came out at £176,821 (£148,326) after preference dividends of £7,350 (same).

Net assets are shown as £15.73m (£14.25m) as at June 30, equivalent to 142p (128p) per share.

Good start by Tecalemit

Mr. N. J. Bennett, chairman of Tecalemit, said at yesterday's annual meeting that first quarter profits and turnover exceeded those of the same period last year and orders continued to be buoyant.

The final dividend is reduced to the maximum permitted—from 3.6482p to 1.824p—to make 3.6505p (3.2175p).

Treasury consent had been granted in context of the rights issue to increase the dividend for the current year to at least the equivalent of 8.295p gross.

Vanbrugh Life Assurance

A new investment contract designed to provide maximum investment combined with maximum flexibility has been launched by Vanbrugh Life Assurance, the unit linked subsidiary of Prudential Assurance. The new Maximum Investment Plan replaces the present Maximum Investment plan and the Flexible Investment Plan and has been specifically designed to provide a more tax efficient investment for regular savers.

The investor can select the premium paying term for any period between 10 and 30 years. At the end of the selected term, the investor has a choice of options including taking tax-free cash sum, having tax-free income or continuing the contract to some later date. There is a choice of six funds, with switching facilities available.

The minimum premiums, £30 per month or £300 a year if payments are made annually. The Plan is available to investors up to the age of 70.

Schlesinger American

Schlesinger American Investments, Jersey-based concern, is paying a second interim dividend, in lieu of a final payment, of 4.25p to keep the total unchanged for the April 30, 1978, year at 7.25p gross per 1p participating redeemable preference share.

Profit for the period came out at £170,650 against £79,687 after Jersey income tax £44,931 (£21,352) and an equalisation payment of £115,014 (£40,962).

THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The long and often acrimonious dispute between Allied Breweries and Trust Houses Forte has finally been resolved by the sale by Allied of all its THF shares for £48.37m. Nearly a quarter of the issued shares in THF, one of the world's major hotel and catering groups, was sold to institutions for around £57m within two hours on Thursday morning by stockbrokers Cazenove and Co., the total boosted because Sir Charles Forte took the opportunity to sell some of his own holding at the same time. Allied's 21.499m shares were sold at 225p each, only 12p below the then current market price. Allied's agreed bid for J. Lyons is covered elsewhere in this issue.

Era Ring Mill, a 70-per-cent-owned subsidiary of Largs, is offering 13½p for each 15p share in the unlisted Wood Street Mill.

Corinthian Holdings, a relatively small shareholder in W. G. Frith has negotiated an offer from Frith Foils that is 16½p per share higher than the bid which the independent director and his adviser James Finlay had previously recommended. Corinthian, which owns 2 per cent of Frith, has now withdrawn its objections to the deal which it set out in a letter to shareholders and will be accepting the new 86½p bid in respect of its own stake. The offer is assured of success as pledged acceptances plus the company's original stake take Frith Foil's holding in W. G. Frith over the 80 per cent level.

The City Take-over Panel has censured St. Piran for "regrettable lack of care" in its purchase of 1m shares in Orme Developments. The acquisition took the total stake of Piran, together with parties which the Panel had deemed to be "acting in concert," beyond the 30 per cent level at which a bid would normally be required to be made. The Take-over Panel has not insisted on a bid in this instance because it believes that the triggering of Rule 34 was inadvertent, but St. Piran was forced to dispose of the 1m shares in the market at 52½p per share, 5½p per share less than they cost.

In a tidying-up operation, Consolidated Plantations is finally buying out the minority shareholders in Patani Para Plantations which last year rejected its bid terms. Consolidated Plantations' offer, based on the original terms, is sure of complete success since holders of over 90 per cent of the outstanding stock have already irrevocably accepted.

Building contractor Y. J. Lovell is negotiating with Imperial Chemical Industries the purchase of Farrow Group, an ICI subsidiary. If successful, the acquisition of Farrow would increase Lovell's current turnover by 50 per cent to around £90m.

Reed International is selling pulp and paper interests in British Columbia for $60m (£27.3m) to privately owned Canadian Forest Products in a further move to put its Canadian operation back on a sound footing.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Albright & Wilson	195§*	188	123	115.04	Tenneco	—
Cornercroft	65*	65	56	1.62	Armstrong Equipment	—
Crossley Building Products	105*	104	64	7.07	Bowater	—
Customagic	21*	16	19½	1.10	Mooloya Invs.	—
Eastwood (J. B.)	132*	147	90	31.53	Cargill	—
Eastwood (J. B.)	160*	147	125	38.22	Imperial Grp.	11/8
Econa	98⅓§§	94	72	4.06	Newmn.-Tonks	4/8
Fluidrive Eng.	83½	84	82	5.75	Assocd. Eng.	—
Fluidrive Eng.	85	84	55	5.84	Thos. Tilling	—
Frith (W. G.)	86½*	86½	69	0.45	Frith Foils	—
Henshall (W.)	20*	20	18	0.50	Boybourne	—
Leslie & Godwin	125*	123	116	24.51	Frank B. Hall	7/8
Lond. & Liverpool Trust	21*	25	19	0.52	Aschheim Secs. & W. & A. SA Zug	—
Lyons (J.)	155¶¶	137	97	60.87	Allied Brews.	—
Mitchell Cotts Transport	84§	79	82	1.29	Mitchell Cotts Group	—

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Orme Devpts.	55½§§	53	48½	0.53	Comben Grp.	—
Pearson-Longman	260§§	259	194	109.65	S. Pearson	—
Pyke (W. J.)	30*	45	44	0.23	Mr. & Mrs. D. B. Thompson	—
St. Kitts (London) Sugar	200*	200	170	0.78	Industrial Equity	—
Spooner Inds.	95*	93	77	4.03	Sandvik	11/8
Trident Group Printers	63*	69	55	2.76	Starwest Inv.	15/8
Weston-Evans	124½*	130	110	6.71	B'ham & Midland Counties Tst.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on August 3, 1978. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on August 4, 1978.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Acrow	Mar. 31	13,141	(10,729)	11.4	(9.1)	2.59	(2.266)
A. A. Asphalt	Mar. 31	255	(1,008)	3.3	(12.6)	2.685	(2.404)
A. B. Engineering	Mar. 31	44	(9)	0.2	(0.6)L	Nil	(Nil)
Arlington Motors	Mar. 31	1,210	(631)	24.5	(12.7)	7.83	(6.77)
Austin (J.)	Mar. 31	760	(838)	12.5	(13.4)	5.92	(5.272)
Best and May	Apr. 30	309	(248)	8.5	(8.5)	3.077	(2.725)
Bevan (D. F.)	Mar. 31	301	(212)	4.0	(2.5)	1.31	(1.21)
Black (P.)	Apr. 30	1,940	(1,450)	22.4	(17.5)	6.22	(5.75)
Dixons Photo.	Apr. 29	9,519	(8,733)	22.4	(21.4)	2.418	(2.165)
Dyson (J.& J.)	Mar. 31	2,970	(2,300)	11.8	(8.7)	3.6	(3.225)
Firth (Metals)	Mar. 31	30	(199)	0.6	(3.5)	2.5	(4.0)
Gnome Photogrph.	May 31	306	(252)	5.7	(4.9)	2.88	(2.541)
Hales Propps.	Mar. 31	278	(182)	7.2	(4.6)	2.498	(2.214)
James (J.)	Mar. 31	3,357	(2,816)	9.3	(8.0)	2.746	(2.459)
Ransom (W.)	Mar. 31	629	(545)	23.9	(19.5)	3.136	(2.793)
RFD Group	Mar. 31	3,451	(3,159)	17.3	(10.7)	1.506	(1.35)
Sterling Credit	Mar. 31	325	(287)	4.4	(3.7)	1.332	(1.281)
Unitech	June 3	3,111	(2,102)	11.1	(7.3)	4.092	(3.61)
Waring and Gillow	Mar. 31	3,600	(2,759)	17.2	(10.1)	3.589	(3.214)
Wearwell	May 5	332	(131)	3.8	(4.4)	Nil	(Nil)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividend* per share (p)	
Canning (W.)*	June 30	717	(751)	1.65	(1.5)
City Offices	June 30	555	(523)	0.86	(0.77)
Coral Leisure	June 30	7,480	(7,363)	—	(—)
East Lancs. Paper	June 30	708	(636)	1.500	(1.452)
Greencoat Props.	Dec. 31	7	(12)	Nil	(Nil)
Hoover	June 30	3,823	(7,675)	5.61	(5.61)
Reed Intl.†	June 30	21,500	(20,500)	—	(—)
Sharpe (W. N.)	June 30	1,290	(974)	1.806	(1.445)
Smallshaw (R.)	Mar. 31	130	(108)	Nil	(Nil)
Tace	Mar. 31	207	(272)	0.5	(0.5)
Vantona	June 30	3,345	(3,223)	1.996	(1.787)
Westinghouse	Mar. 31	2,509	(2,570)	0.927	(0.83)
Witter (T.)	May 31	687	(443)	0.67	(0.66)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † First quarter. L Loss.

Offers for sale, placings and introductions

Northampton Borough Council: £5m variable rate redeemable stock 1983 at £99½ per cent.

Rights Issue

Wearwell: 27-for-100 at 25p.

HEADLAM SIMS

Headlam Sims and Coggins announces that the rights issue of 333,333 new ordinary shares to existing shareholders has been taken up by a total of 422 shareholders for 303,320 shares. The balance of 30,013 shares has been sold at a net price of 53.455p on behalf of entitled shareholders.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	Stock
AKZ	F30	10	3.40	—	—	—	—	F31.30
AKZ	F32.50	39	1.80	20	2.50	20	3.50	
ABB	F75	10	3.20	5	4.80	—	—	F76.60
EK	$50	5	14	2	14	2	15½	$63⅜
EK	$60	23	5	15	7	4	9	
GM	$60	2	4¼	—	—	—	—	$64¾
GM	$70	—	—	1	1¼	4	2¼	
HO	F32.50	1	5.60	—	—	—	—	F37.20
HO	F37.50	—	—	5	3.60	—	—	
HO	F40	—	—	1	2.30	2	3	
IBM	$240	—	—	5	52	—	—	$285¼
IBM	$260	—	—	5	34½	—	—	
IBM	$280	16	15½	—	—	—	—	
KLM	F142.90	—	—	1	20	—	—	F157
KLM	F150	8	8.60	3	12	1	16	
KLM	F161.90	—	—	5	12.10	—	—	
KLM	F170	2	4.60	8	9	2	12.50	
KLM	F171.40	10	4	1	5	—	—	
KLM	F181	4	1.50	—	—	—	—	
KLM	F190.50	5	1.50	6	3.60	—	—	
KLM	F209.50	1	0.30	25	1.70	—	—	
NN	F119.90	—	—	5	2	—	—	F104.50
PHI	F25	20	2	—	—	—	—	F26.8
PHI	F27.50	60	0.60	28	1	2	1.70	
PRD	$50	—	—	—	—	3	7¾	$51⅞
RD	F120	5	15	—	—	—	—	F134.40
RD	F130	6	5	5	6.50	—	—	
RD	F140	—	—	16	2	14	3.40	
S	$95	—	—	2	3	7	3	$92⅞
UNI	F120	5	3.50	—	—	—	—	F120.20
UNI	F130	6	0.60	—	—	—	—	
XON	$45	30	3¼	—	—	1	4¼	$47¾
XRX	$50	—	—	—	—	5	12½	$60½
XRX	$60	—	—	15	5⅛	—	—	
		Aug.		Nov.		Feb.		
BA	$60	1	—	1	20½	—	—	$70¼
SLB	$90	—	—	1	5¼	—	—	$91

WORLD STOCK MARKETS

Modest fresh gain on Wall St.

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—104¼% (106¼%).
Effective $1.9235—51¼% (53½%)

AFTER SHAKING off some early morning easiness, Wall Street took its recent advance a stage further yesterday before partially reacting to finish just moderately firmer on the day.

Trading volume was a heavy 37.97m shares, although well below the previous day's record-breaking turnover figure which, due to NYSE computer problems, was upward revised to 66.37m shares from the previously reported 63.50m.

The Dow Jones Industrial Average touched extremes of 895.79 and 879.33 before ending a net 1.56 higher at 888.43 for a week's advance of 32.14. The NYSE All Common Index finished 22 cents firmer at $58.34 for a rise on the week of $2.16 gains led losses by 868 to 667 at the close.

Analysts said the stock market continued to digest its heavy gains of Wednesday and early Thursday. They added that profit-taking was well contained and noted that the money market and the bond market showed little negative reaction to the report after Thursday's close of a sizeable rise in the U.S. money supply in the latest reporting week.

In the economic news, the Labour Department reported that unemployment last month rose to 6.2 per cent from 5.7 per cent in June, but the White House stated that the rise was not a sign that the economy is weakening.

Analysts remained optimistic about the near-term outlook for interest rates and inflation, but said much of the buying pressure was exhausted by Thursday's record turnover.

International Business Machines continued to provide strong market leadership, adding $3 at $288½. Petroleum issues were also strong—Texaco rose ⅜ to $25⅛ and Gulf ⅜ to $24⅞ in active trading.

Del Monte jumped 5⅞ to $37⅞—R. J. Reynolds has offered to buy Del Monte for $38 a share. Reynolds slipped ⅞ to $58⅛ ex dividend.

Boeing rose $3 more to $73¼—in recent weeks it has received aircraft orders totalling nearly $2bn.

THE AMERICAN SE Market Value Index strengthened 0.67 more to 157.93 for a week's advance of 3.78. Volume 4.38m shares (6.63m).

Resorts International "A" lost 4⅞ to $79⅞ despite reporting a 25 per cent jump in July net winnings at its Atlantic City casino from the June level.

CANADA—The advancing trend continued in active dealing, the Toronto Composite Index gaining 40to a fresh 1978 high of 1,213.9. Oils and Gas rose 9.6 to 1,581.0, Golds 6.1 to 1,568.7, Metals and Minerals 6.4 to 1,038.3, Papers 1.25 to 130.60 and Banks 0.82 to 287.91.

AUSTRALIA—Markets were predominantly firmer following a buoyant afternoon session, which brokers attributed to a rush to place orders ahead of the long holiday weekend and uncertainty about the effect on communications next week of the Telecom dispute.

Industrial leader BHP advanced 12 cents to A$ 7.92. Among Coals, Utah jumped 13 cents to A$ 4.28, reversing the recent decline triggered by Government opposition to its wage agreement with miners.

HONG KONG—Market resumed its rise, with Property shares leading the way, spurred on by yesterday's land auction where a central site was sold at a record price of HK$13,726 a square foot. The Hang Seng index rose 8.32 to 600.75, its highest level for almost five years.

Cheong Kong rose 30 cents to HK$11, as did Hong Kong Land to HK$10.90, while Swire Properties gained 12.5 cents to HK$3.80 and Ocean Land 10 cents to HK$2.175.

Hong Kong Bank advanced 50 cents to HK$20.70 ahead of the interim results.

TOKYO—Market was in firm fettle, helped by the U.S. dollar's recovery in Tokyo and Wall Street influences. The Nikkei-Dow Jones Average gained 19.89 to 5,576.61. Volume 260m shares (250m).

However, Petroleums gave ground after their rise on the dollar's recent weakness, while some Constructions, Textiles and Electric Power issues were lower on profit-taking.

PARIS—After the recent marked rise, Bourse prices turned easier yesterday, adversely affected by a weakening of the French franc and the raising of the Call Money rate from 7⅛ to 7¼ per cent.

Apart from mainly higher Metals and Oils, declines predominated in all sectors. Notably lower were CCF, Radar, Peugeot-Citroen, Poliet, Michelin, Poclain, Hachette, Club Mediter, Roussel-Uclaf, Lyonnaise des Eaux, Air Liquide and Saint-Gobain, but Schneider, Alspi, Ericsson, Denain, Esso and BP gained ground.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Bank America	1,044,000	27½	+1⅛
Texaco	425,400	25⅛	+⅜
Pet	419,000	34⅞	−⅞
Boeing	369,300	73¼	−3
Marshall Field	366,600	24⅞	+2
Sears Roebuck	321,000	25⅞	−⅛
Carrier	305,500	19⅝	−⅛
Citicorp	292,900	26⅝	+⅛
Polaroid	277,800	32⅞	+1
Natl. Semiconductr	257,600	29⅞	+⅛

Indices

NEW YORK—DOW JONES

	Aug. 4	Aug. 3	Aug. 2	Aug. 1	July 31	July 28	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	888.43	886.87	865.49	860.71	862.27	856.28	888.43 (4/8)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds*	88.26	88.14	87.67	87.80	87.75	87.68	0.50 (4/1)	86.75 (11/7)	—	—
Transport	246.63	248.75	246.75	241.48	241.14	238.51	248.85 (4/8)	199.31 (9/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	108.19	107.85	107.24	106.84	105.66	106.46	110.98 (5/1)	102.84 (22/2)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	37,970	66,370	47,470	54,610	35,890	33,970	—	—	—	—

* Basis of Index changed from August 24

	Aug. 2[?]	July 21	July 14	Year ago (approx.)
Ind. div. yield %	5.47	5.62	5.56	5.01

STANDARD AND POORS

	Aug. 4	Aug. 3	Aug. 2	Aug. 1	July 31	July 28	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	114.95	114.51	113.58	111.51	111.52	110.61	114.95 (4/8)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
Composite	105.92	105.51	102.22	100.66	100.68	100.00	105.92 (4/8)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug 2	July 26	July 19	Year ago (approx.)
Ind. div. yield %	4.76	4.93	4.98	4.52
Ind. P/E Ratio	9.78	9.40	9.50	10.00
Long Gov. Bond yield	8.45	8.66	8.64	7.67

N.Y.S.E. ALL COMMON

Aug. 4	Aug. 3	Aug. 2	Aug. 1	1978 High	1978 Low
58.34	58.12	57.82	56.61	58.34 (4/8)	48.37 (6/3)

Rises and Falls

	Aug. 4	Aug. 3	Aug. 2
Issues traded	1,932	1,945	1,922
Rises	868	1,003	1,285
Falls	667	629	322
Unchanged	397	313	315
New Highs	—	397	282
New Lows	—	8	5

MONTREAL

	Aug. 4	Aug. 3	Aug. 2	Aug. 1	1978 High	1978 Low
Industrial	198.65	198.15	195.86	196.55	198.65 (4/8)	162.30 (16/2)
Combined	206.45	205.89	203.70	201.65	206.45 (4/8)	170.62 (30/1)
TORONTO Composite	121[illegible]	1214.3	1206.5	1195.5	1218.9 (4/8)	998.2 (30/1)
JOHANNESBURG Gold	(u)	261.2	264.8	267.4	287.4 (1/8)	185.9 (20/4)
JOHANNESBURG Industrial	(u)	256.0	255.7	255.2	258.0 (3/8)	194.[illegible] (13/3)

	Aug. 4	Previous	1978 High	1978 Low
Australia(*)	518.56	515.00	518.56 (4/8)	441.19 (1/3)
Belgium (!!)	98.55	98.10	[illegible]	90.43 (26/3)
Denmark(**)	98.54	98.36	98.54 (4/8)	89.00 (6/2)
France (!!!)	76.5	76.5	76.5 (3/8)	47.6 (3/2)
Germany(!!)	8[illegible]	806.5	[illegible] (27/7)	[illegible] (11/5)
Holland (!!!)	8[illegible]	84.8	[illegible]	76.0 (4/4)
Hong Kong	600.75	592.43	600.75 (4/8)	383.44 (13/1)
Italy (!!)	[illegible]	63.34	[illegible] (13/7)	56.45 (10/1)
Japan (a)	421.17	420.64	4[illegible]	364.04 (4/10)
Singapore (b)	3[illegible]	365.62	3[illegible]	282.0 (9/1)

	Aug. 4	Previous	1978 High	1978 Low
Spain (d)	104.13	105.28	[illegible]	[illegible] (11/5)
Sweden (e)	408.08	404.91	408.08 (4/8)	[illegible] (3/1)
Switzerland(f)	288.6	289.4	[illegible]	[illegible]

Indices and base dates (all base values 100 except NYSE All Common — 50; Standards and Poors — 10 and Toronto 300—1,000 the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials 40 Utilities 40 Finance and 20 Transport. ¶ Sydney All Ordinary. || Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec., 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. |||| Banca Commerciale Italiana 2/1/73. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY

[illegible]

PARIS

[illegible]

AUSTRALIA

[illegible]

TOKYO

[illegible]

Source Nikko Securities, Tokyo

VIENNA

[illegible]

JOHANNESBURG

[illegible]

Securities Rand U.S.$0.71¾ (Discount of 37.3%)

STOCKHOLM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

SWITZERLAND

[illegible]

MILAN

[illegible]

OSLO

[illegible]

SPAIN

August 4	Per cent.	
Asland	123	−1
Banco Bilbao	316	−3
Banco Atlantico (1,000)	247	—
Banco Central	327	−3
[illegible]		
Hidrola	79.75	+1
Iberduero	85	−1
Olarra	115	−6
Papeleras Reunidas	68	−1.75
Petroliber	122	—
Petroleos	201	−5
Sarrio Papalera	50	—
[illegible]		

BRAZIL

[illegible]

NOTES: [illegible]

F.T. CROSSWORD PUZZLE No. 3,737

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 Sprayed counsel with material (7, 4)
7 Commander's island (3)
9 Briton with fruity flavour (5)
10 One drink to put life into another (6, 3)
11 Third international company taking on male junior hospital doctor (9)
12 A large number deserted Split (5)
13 Trouble on foot on bus in breakdown (7)
15 Knock out the returning madman (4)
18 Key study of river (4)
20 Empire builder who paid the bill (7)
23 A soldier the French consider athletic (5)
24 Protected from cold and completely under control (7, 2)
26 Closely question space allotted to restaurant (5, 4)
27 It is very warm in the river, just picture it (5)
28 Tease part of the orchestra gently (3)
29 Deferentially if you don't mind my saying so (4, 7)

DOWN

1 Youngsters on the scout for beastly litter (4, 4)
2 Cat has youth leader to look after in the opinion of speaker (2, 2, 4)
3 Material with fish attached (5)
4 Wander from point of excavation to sappers on board (7)
5 Pub in Gateshead's turn to bat (7)
6 Score and supply noble with bed and board (4, 5)
7 Persuaded company to give a vote to newsman (6)
8 Cover woman with funny hat (6)
14 Eccentric member of benefit society (9)
16 Pleased that quite a number is joyful (8)
17 Restarts at Twickenham, then withdraws (5, 3)
19 This year's wine found in the Isle of Wight (7)
20 He pretends to give old Bob a striking part of piano (7)
21 Old car suitable for reporter (6)
22 Quick place for vicar (6)
25 Instruments in Highland puffers (5)

Solution to Puzzle No. 3,736

SOLUTION AND WINNERS OF PUZZLE No. 3,731

Following are the winners of last Saturday's prize puzzle:

Mr. H. V. Owen, Chanctonbury, Manor Drive, Cuckfield, West Sussex RH17 5BT.

Mrs. M. Speer, 33 Beechdale Avenue, Birmingham B44 9DJ.

Miss E. Williams, 23 Coton House, Adrian Way, Long Road, Cambridge.

RACING — BY DOMINIC WIGAN

Smackover can win William Hill Cup

THERE WAS no semblance of a fluke about Smackover's recent Goodwood success over Philodantes and I shall be both surprised and disappointed if the Newmarket colt does not capture this afternoon's William Hill Gold Cup.

A year ago another Newmarket colt, the four-year-old Aliante, defied 9 stone 2 lb in this event and on the face of things the year-younger Smackover carrying 10 lb less, appears to have no more formidable a task.

The comfortable winner of a 19-runner maiden event at Newbury where he was not hard pressed to beat Smartset a shade more comfortably than the half-length margin might suggest, Smackover again won a little cleverly when outpacing Philodantes at Goodwood.

If, as appears to be the case, Ian Walker's charge is still improving, the 8 lb penalty incurred at the Sussex course should not prevent him gaining his most important success to date.

I take him for a clear-cut victory over the course and distance winner, Tweedhill, who impressed all who saw him when winning the Yorks Trainers' Trophy here last month.

Twelve months ago Reg Hollinsheads accomplished protege, Michael Wigham, had an enjoyable ride when bringing home the favourite, Clintwood, to land the six-furlong Bass Rosebowl and it could well be that Gnos is up to doing the trick for him this time.

The powerfully-made Song colt showed that a return to winning form is imminent when failing by inches to peg back Coded Scrap in the Hornleigh Handicap over this course and distance a few days ago.

Lester Piggott, who returned to the fray a day earlier than anticipated yesterday following a break, has secured some likely looking mounts at Lingfield. Valour Arapahos, Buick and Justin Thyme could all win for the nine-times champion who got off the mark almost exactly 26 years ago when bringing The Chase home at Haydock.

Paul Cole usually does well when he sends runners to Newmarket and I am hopeful that Milton Rowe, a rangy daughter of Sweet Revenge, can add to his tally there with a win in the B and L Soft Lens Stakes.

Later in the afternoon Gorsky, who showed speed for a long way in Ascot's Granville Stakes, can achieve his first win at attractive odds in the King's Gap Stakes.

NEWMARKET
2.00—Milton Rowe***
2.30—Lorelene
3.00—Come Play With Me
4.00—Gorsky*
4.30—Victorian Pageant

REDCAR
1.45—Dior Queen
2.15—Gnos
2.50—Smackover**
3.20—Come Here
3.50—Sockburn
4.20—Rietta
4.50—Hedingham Lad

LINGFIELD
3.00—Valour
3.30—Arapahos
4.00—Screen Goddess
4.30—Rockaway
5.00—Justin Thyme

Creating jobs

MR. BOB CHILDS, previously Industrial Development Officer for mid-Glamorgan, has taken up the post of Industrial Promotions Officer for Cumbria to attract new industry and encourage the expansion of existing companies.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sacilor lifts first half sales

PARIS, August 4.

SACILOR, the major French steel maker which is the main operating arm of the Marine-Wendel group, reports marginally higher first half sales of FFrs 4.48m, compared to FFrs 4.16bn in the opening six months of 1977.

The company sold 2.66m tons of steel in the first half of this year, up from 2.58m a year before. Steel production over the first six months stood at 3.25m tons compared to 3.21m.

Sales of Le Materiel Telephonique (LMT), the telecommunications equipment subsidiary of Thomson-Brandt Group, were FFrs 834m for last half 1978, an increase of 9.4 per cent on a comparable basis. LMT said it expected overall 1978 sales to show a greater rate of increase. Orders received during the first six months totalled FFrs 1.029bn compared to FFrs 935m.

Makers of precision instruments, Precision Mecanique Labinal, reports consolidated sales of FFrs 110.9m against FFrs 346.4m. The parent company alone produced FFrs 250m compared to FFrs 239.9m.

Moulinex, makers of small household electrical equipment, managed to lift consolidated sales to FFrs 947.7m from FFrs 774.7m.

Agencies

Renault and Bendix in French joint venture

BY ROBERT MAUTHNER

PARIS, August 4.

RENAULT, the nationalised French motor company, and Bendix of the U.S. have agreed to create a joint subsidiary in France for the development and manufacture of electronic systems for motor cars.

The agreement, which is still subject to the approval of the French authorities, foresees a joint investment of about FFr 100m (some $23m) for the setting up of a research centre and the construction by 1980 of a factory employing some 500 people.

Renault has been looking for several months for a partner in the electronic components field. Its original plan was to associate itself with a company specialising in the production of integrated circuits, such as Texas Instruments, Motorola or Toshiba, but these schemes finally came to nothing. In May Renault announced that it was in project talks with Bendix.

The advantage for Renault of linking up with Bendix is that the American company gives its French partner a foot in the door of the U.S. components market, as well as contributing its technological know-how in the field of electronic systems. Though it has not concentrated on this area, Bendix is already manufacturing some integrated circuits.

It is understood, however, that, during an initial period, the joint subsidiary will depend almost entirely on supplies from the main international producers of electronic components, including the French Thomson group.

Bendix, for its part, hopes that the agreement will enable it to compete more effectively in Europe with its main rivals, such as Bosch of West Germany, which recently signed a technical co-operation with Peugeot-Citroen and Motorola, which is associated with General Motors.

The French Government, which has been trying to persuade Renault and Peugeot-Citroen to co-operate in the field of components, will doubtless be disappointed that a genuine French solution could not be found.

But the state-owned Renault company would hardly have gone ahead with its plan to link up with Bendix, unless it had received some indication from the French authorities that the agreement would not be blocked.

$126m Hong Kong land sale

By John Brennan

IN ONE of the most expensive land sales ever recorded, a 42,620 sq ft development site in central Hong Kong has been sold for $HK585m ($126m). That equates to a sale price of around $21 per square inch.

The land, lying in the very heart of the colony's commercial centre in Queensway, next to the site of the new Mass Transit Railway's proposed Admiralty Station, is understood to have been bought by World-Wide Properties Corporation.

Although it is believed that payment for the site will be arranged on a deferred basis, possibly over a period of ten years, the purchase has caused raised eyebrows even within Hong Kong's hectic property market, which is currently experiencing a particularly acute version of its periodic land price booms.

ASL nears profit zone after sharp cut in losses

BY JAMES FORTH

SYDNEY, August 4.

AFTER THREE years in the red, Associated Securities Ltd. (ASL), the Australian finance company, is now well within sight of the profit zone, having slashed its losses from A$16.6m to only A$156,000 (US$181,400) in the past year to June 30.

The main causes of the 1976-77 deficit were an allowance of A$10m for future property and mortgage losses, a A$2m provision for possible future losses through diminution in the value of assets, and a A$3.25m allowance for unrealised foreign exchange losses. In the latest year, there have been no provisions for further losses apart from the setting aside of A$875,000 for unrealised foreign exchange losses.

Early last year, the Australian group, Ansett Transport Industries, gained control of ASL after buying out the major shareholder, the Royal Bank of Scotland. ASL was one of the major finance concerns badly affected by the collapse of the property market several years ago.

ASL actually declared a small trading profit of A$51,000 compared with a loss of A$1.38m in the previous year. This was after switching to equity accounting for associated companies where income had previously been received through dividends.

The amount of profit entitlement thus brought into the accounts was A$1.27m, of which A$680,000 represented equity in prior years' profits. Real estate joint venture companies are not equity accounted, but interest of A$436,000 was brought to account for these ventures.

ASL said its direction of efforts towards the development of finance activities had resulted in favourable profits being recorded by this division. The level of lending had continued to show a steady increase, with gross receivables rising by 25 per cent during the year, from A$220m to $A276m. The most significant growth occurred in the consumer areas of hire purchase and personal loan finance where gross receivables increased from A$ 89m to A$ 152m.

The insurance division also developed well and lifted premium income from A$ 4.7m to A$7.4m for the year. Property sales totalled A$16.7m. Once again, no dividend will be paid.

Profits slowdown at Aker

BY FAY GJESTER

OSLO, August 4.

NORWAY'S Aker shipbuilding group increased profits in the first four months of this year but foresees poorer profitability in the remaining eight months.

Aker said that there was a high level of activity at most companies in the group, but fears that there will not be enough work during the remainder of the year to keep the workforce fully employed, now that the Cormorant A and Brent C drilling rigs have been towed to position in the North Sea.

Pre-tax profits for the four months, at NK 25m ($4.67m), were NK 7m up compared with last year, on sales of NK 874m ($163.4m). Liquidity is described as "in part very good," with a satisfactory return on capital invested. Towards the end of the four months, however, the group's liquidity position weakened somewhat, and for the rest of the year is expected to remain rather weaker than in 1977.

No building loans were taken up during the period, despite the fact that two ships ordered by one of the Reksten companies had to be disposed of at a loss to a buyer in Panama owing to the original buyer's difficulties in financing them. The actual size of the eventual loss on the ships will depend on the outcome of negotiations with the Norwegian Guarantee Institute for Ships and Drilling Vessels.

The report mentions the scarcity of new orders for ships and platforms, and says offshore contracting on Statfjord A and Ekofisk accounted for 16 per cent of the group's capacity during January to April. It stresses that the group's Stord shipyard badly needs the contract to build the steel deck for Statfjord B, the second platform on the Statfjord field. Aker's competitors for this order are the Kvaerner group and a Norwegian-Dutch partnership including a shipyard in Haugesund, West Norway.

EIB $80m issue in Japan

By Mary Campbell

THE EUROPEAN Investment Bank (EIB) has registered a $80m 12-year issue with Nikko Securities as lead manager, with the Japanese Ministry of Finance (MoF). This is preparatory to launching the issue formally in about a month's time.

The issue is part of a $100m offering. The other $20m will be sold on identical terms through Credit Suisse White Weld, in the European market.

This will be the first ever dollar denominated security to be issued on the Japanese market. Nikko Securities has been working on the idea for about six months but whether it presages a flood of such issues will not be known until the response to this one has crystallised, both from the Japanese authorities and Japanese investors. It is to be placed with institutional investors in Japan and will be quoted in Luxembourg rather than in Tokyo.

As in the U.S., the terms of the issue will not be decided until the formal offering date. For the purposes of registration, the MoF plays the same role as the U.S. Securities and Exchange Commission and yesterday's filing of the registration statement is similar to a filing with the SEC.

The $20m European placement is being run in tandem to provide a benchmark for the issue in Japan.

Intensive competition hits Philip Morris Australia

BY OUR OWN CORRESPONDENT

SYDNEY, August 4.

PHILIP MORRIS (AUSTRALIA), the listed tobacco and wine making offshoot of the U.S. group, suffered its first profit setback in 17 years in the latest year to June 30, when earnings dipped from A$25.1m to A$22.1m (U.S.$25.6m).

Despite the setback though, the company will pay an unchanged final dividend of 25 cents. As the interim was lifted by 5 cents to 25 cents, the total payout rises from 45 cents to 50 cents a share, absorbing A$11.34m. It is covered by earnings of 97.6 cents a share, down from 110.7 cents in the previous year.

The directors said that the Australian cigarette industry experienced an unprecedented level of competitive activity during the year, with price cutting and heavy promotional expenditures exerting strong pressures on profitability. The principal avenue for price reduction was the new 25 pack presentation which had gained substantial consumer acceptance.

However, the directors considered the result was satisfactory in the intensely competitive trading environment.

The wine subsidiaries both earned increased profits. The total market in 1978 showed a small improvement on the relatively low level of 1977, but trading conditions at all levels of the industry continued to be highly competitive.

Aquitaine plans offer for Universal Gas

CALGARY, August 4.

THE FRENCH-CONTROLLED Aquitaine Company of Canada will offer $12 a share for the outstanding stock of Universal Gas.

Aquitaine said that the directors of Universal had indicated their intention to accept the proposed offer and to recommend acceptance by other shareholders.

The offer will be made conditional on approval by Canadian regulatory authorities, including the Foreign Investment Review Agency.

An Aquitaine spokesman said there were some 1.9m Universal Gas shares outstanding, with three directors of the company holding about 27 per cent of the stock.

Universal holds interests in developed and prospective oil and gas lands in Alberta. Its shares were halted on the Toronto exchange at the opening to-day ahead of the news. The stock last traded at $10.50.

Reuter.

New EOE series

The European Options Exchange (EOE) will introduce a new series for Eastman Kodak, Boeing and IBM from next Monday following recent price movements on the New York Stock Exchange, reports Reuter from Amsterdam. The new series for Eastman Kodak will be October, January and April with exercise prices of $70, for Boeing it will be November and February with striking prices of $70 and for IBM October, January and April with exercise prices of $300.

Surprise rise at Eastern Asia Navigation

BY RON RICHARDSON

HONG KONG, August 4.

GROUP PROFIT of Eastern Asia Navigation Company, the main publicly listed arm of Sir Yue-Kong Pao's World-Wide Shipping Group, rose by 6.9 per cent to HK$174.5m (US$37.4m) in the year to March 31.

The company, which has more than 40 per cent by tonnage of its 79 vessels on charter to ailing Japanese shipping lines Sanko Steamship and Japan Line, surprised industry observers with the favourable profit result. There had been rumours that the problems of the Japanese industry would spill over to the Hong Kong owners of Japanese-operated tankers, with renegotiation of the charter contracts to relieve the Japanese companies of some of their short-term liabilities. Yet this has not occurred and the Industrial Bank of Japan publicly guaranteed Japan Line's charter obligation to the World-Wide group recently.

Eastern Asia Navigation attributed its improved result to reduced operating costs and lower insurance premiums on its vessels.

A final dividend of 30 cents will be paid, up 4 cents from the previous year, making a total of 49 cents against 45 cents.

Last month, World-Wide International, the other major listed arm of the Pao Group, reported a 15 per cent higher profit of HK$54.57m.

Lafarge in Brazilian cement deal

GREENWICH, August 4.

LONE STAR Industries Inc. and Lafarge SA of France have agreed in principle to combine their Brazilian cement operations. Under the agreement Lafarge's 60 per cent interest in Companhia Mineria de Cimento Portland Cimento Portland Pains and Cimentinvest of Brazil will be exchanged for a 54 per cent interest in Lone Star's wholly owned Companhia Nacional de Cimento Portland. Lone Star will retain 46 per cent in the expanded company.

Also, the companies will enter into a joint venture to construct a new 700,000 metric ton cement plant in Contagalo, Rio de Janeiro. The agreement is subject to various conditions including approvals by the Brazilian government.

Agencies

COMMODITIES/Review of the week

Stockpile sales delay lifts tin

BY OUR COMMODITIES STAFF

NEWS THAT U.S. stockpile Bills pending in the Senate had been deferred indefinitely brought a rise in tin prices and an early fall in copper on the London Metal Exchange yesterday.

However, copper prices rallied later on confirmation that Peruvian miners were going on strike and on rumours—later denied—that an earthquake had hit Chilean copper mines.

Last night the General Services Administration said that it would appoint an advisory committee to review the stockpile disposal programme.

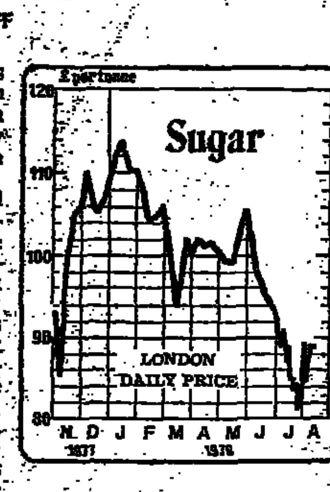
This came after Mr. Gary Hart, chairman of the Senate stockpile sub-committee, said that he was deferring floor action on the proposed stockpile Bills indefinitely because of intense lobbying.

Although there was uncertainty about how long the stockpile bills incorporating sales of surplus tin, would be delayed, tin prices jumped in London. Cash tin gained £155 to £6,657.5 a tonne—£132.5 up on the week.

Reports of some buying by U.S. steel mills, and the prospect of more to come, brought covering of previous sales as well as fresh buying interest.

Copper fell in early trading, influenced by the stockpile news and the U.S. International Trade Commission's finding that imports were injurious to the domestic copper industry.

Aiding the downward trend was a forecast that LME warehouse stocks would rise this week for the first time for several months, despite earlier reports that heavy shipments to cover Chinese buying were imminent.



However, the market turned round quickly on an announcement that a strike had hit the Ilo smelter and Toquela mine in Peru.

Cash wirebards closed £2.5 up on the day, and £4 higher on the week, at £727.5 a tonne.

Coffee prices rose sharply in the week. The increase was encouraged by calls from Sr. Arturo Gomez Jaramillo, president of the Colombian Coffee Federation, for a system of quotas to regulate exports.

As the market digested this news, however, prices fell rapidly. "As no action is likely to be taken for some time, the quota demand amounts to a forecast of lower prices," one dealer said.

There was something of a recovery on Wednesday following reports that a $1bn coffee market support fund had been put forward at International Coffee Organisation talks in London. The stories were denied the following day, though.

On the week, second position coffee lost £123 a tonne to end at £1,133.

World sugar futures rallied during the week. The London daily price for raws was set at £89 a tonne yesterday—£4 higher than a week ago.

The gradual upward movement was unhampered by reports of cheap sales to Egypt and China. There was even a cut in the level of export subsidy fixed at the EEC's weekly tender.

Gloomy prognostications from Sucres et Denrees, the Paris sugar house, also had little impact on the firmer market tone. December sugar gained £4.15 a tonne on the week, closing last night at £93.425.

The British Sugar Corporation reported yesterday that the beet crop was growing well, although it was too early to forecast yields. The crop however, was past the stage when disease could affect it, although some sunshine would be needed.

Beet tests in France showed that the sugar content was not up to the level at this time last year. Roots were lighter at 230 grammes on average compared with 257 grammes last year.

WEEKLY PRICE CHANGES

MARKET REPORTS

BASE METALS

COPPER—Moved erratically on the London Metal Exchange as liquidation vied with covering and influential buying between £735 and £740, before the price moved to £748, following Comex, on rumours of damage to Chilean mines and on the Peruvian strike. The price slipped to close on the Kerb at £746.5. Net gain on the week was £3.5. Turnover: 15,200 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	717.5-8.5	-5.25	727-8	+2.5
3 months	737.5-8	-6	747.5-8	+2.5
Settl'm'nt	718.5	-5	—	......
Cathodes				
Cash	714-5	-5.5	723.5-5	+3.25
3 months	734-.5	-6	743.5-5	+1
Settl'm'nt	715	-5.5	—	......
U.S. Smt.	—	.....	63-66	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £738, 38, 36, 37. Cathodes three months £734, 34.5. Kerbs: Wirebars three months £728, 38.5, 39, 38.5. Cathodes cash £716. Afternoon: Wirebars three months £745, 45.5, 46, 47, 47.5, 48, 47.5, 47, 47.5, 48. Kerbs: Wirebars three months £749, 48.5, 48, 47.5, 47, 46.5, 46.

TIN—Gained ground in active trading as forward metal moved up from £6,450 to £6,535 on hedge-buying against physical business. Commission House buying and bear covering. It closed on the Kerb at £6,530. The market was moved by the Congressional delay of stockpile tin releases. Net gain on the week was £107.5. Turnover: 1,770 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6625-30	+99	6650-65	+155
3 months	6510-20	+6.25	6545-55	+122
Settlem't	6630	+98	—	......
Standard				
Cash	6625-30	+99	6650-65	+155
3 months	6495-500	+62.5	6530-5	+117
Settlem't	6630	+98	—	......
Straits E.	‡1715	—10	—	......
New York	—	.....	—	......

Morning: Standard cash £6,600, 10, 20, three months £6,480, 75, 70, 90, 85, 90, 95, £6,500. Kerbs: Standard three months £6,500. Afternoon: Standard cash £6,670, three months £6,515, 20, 30, 25, 30, 35. Kerbs: Standard three months £6,530, 25, 27.

LEAD—Very steady as forward metal moved up from £324 to £329 helped by improved sentiment and the narrowing of the contango. Profit-taking clipped the rise and the close on the Kerb was £326. Net gain on the week was £11.5. Turnover: 4,875 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	321.5-2	+2.75	322-3	+1.75
3 months	326.5-7	+2	327-.5	+.625

ZINC

COTTON

SILVER

COCOA

COFFEE

GRAINS

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

LONDON—The market was dull and featureless, Bache reported.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
October	238.0-42.0	......	—
December	246.0-48.0	......	—
March	243.0-47.0	......	—
May	246.0-47.0	......	—

MEAT/VEGETABLES

U.S. Markets

Rallies in coffee, sugar and copper

NEW YORK, August 4.

UK anaesthetists go for higher pay in Europe

FINANCIAL TIMES REPORTER

INCREASING NUMBERS of anaesthetists are seeking posts in the EEC where they can earn up to three times as much as in Britain.

The Department of Health and Social Security said that the national shortage had arisen despite the fact that 4 per cent more qualified anaesthetists became available in Britain every year.

The shortage, also caused by the increasing uses of anaesthesia in modern medicine was more acute in rural districts.

The Department was commenting on a request by the Cleveland Area Health Authority to borrow specialists from the army hospital at Catterick. The authority has been trying, without success, to fill four vacancies in its own hospitals.

Dr. Peter Briggs, Cleveland health authority's specialist in community medicine, said that He attributed the shortage to the higher salaries available in the EEC, the U.S. and Australia. by September they would have to cut the numbers of operations by up to 200 a week unless the four anaesthetists were found.

"To put somebody to sleep does not entail linguistic ability," he said. Some consultants found it worthwhile to go to the Continent for a few weeks at a time.

Under the doctors' latest pay award, anaesthetists, in common with other consultants, earn between £9,528 and £12,084. But they could earn up to three times as much abroad, Dr. Briggs said.

Cleveland's formal request for the short-term use of specialists from the Duchess of Kent's military hospital at Catterick is now being considered by the Defence Ministry. Army doctors already treat civilians in the hospital.

Scots MP wants £1bn oil money for Assembly

IF THE present Parliament survives into the autumn, a Scots MP will try to win a share of the newly increased oil taxes for the Scottish Assembly.

Mr Jim Sillars, Scottish Labour MP for South Ayrshire, said yesterday that he would introduce a Private Member's Bill which would divert £1bn of the £4.4bn extra oil revenue to the Assembly.

"The present Assembly Bill has no provision for an allocation of oil money, and is bereft of industrial powers," he said. "These are serious deficiencies, and will prevent the Assembly being fully effective in tackling Scottish problems."

On the industrial front, Mr. Sillars will attempt in his Bill to remove all Westminster control and influence from the Scottish Development Agency.

"The next three years should not be wasted years for those who campaigned for an Assembly with economic and financial powers.

SINGAPORE STOCK EXCHANGE

Aug. 4	$	Aug. 4	$
Industrials		Straits Trad'g	5.75
Boustead	0.85	Times Pub.	
Boustead Co.	1.80	Berhad	3.22
Boustead Bhd	2.58	U. Engineers	1.64
Dunlop	4.26	U. Ov's Bk	3.54
Esso	3.50	Wearnes	3.58
Fraser Neave	5.50xd	Tractors	4.68
Haw Par	1.85	Chemical	4.64
Hume Ind.	1.54	Wilm Jacks.	1.56
Inchcape	2.02	**Rubbers**	
Malay Brew.	6.20	Batu Lintang	1.95
Malay Cent.	3.06xd	Dunlop Estate	4.24
Met. Bx Stng	3.22	Kempas	3.30
Ov'-Chin. Bk	9.00		
Pan Electric	2.00xd		
Robinson Co.	2.71	**Tins**	
Rothmans	4.92	Austral. Am.	26.00
Shell	2.90	Berjuntai	10.00xd
Sime Darby	3.50	Kamunting	—
Cold Storage	2.57	Kuchai	—
Straits Steam	2.42	Lower Perak	—
Straits Times	7.05	Petaling Tin	6.40
(1975) Ltd.		Supreme Corp.	1.00
		Tongkah Har.	—

APPOINTMENTS

Group executive posts at BICC

Mr. D. H. Booth and Mr. P. H. Walton have been appointed assistant managing directors BICC Cables. Mr. Booth continues as executive director, Prescot, and Mr. Walton relinquishes his responsibilities for BICC GENERAL CABLES to undertake strategic planning tasks within BICC Cables. Mr. H. C. Woolley is to be executive director BICC General Cables. Mr. H. H. Phillips, Mr. Woolley and Mr. E. S. Worsdell join the Board of BICC Cables. Mr. D. L. Boult has been made assistant managing director, BICC INDUSTRIAL PRODUCTS and will be responsible for Telcon, of which he becomes chairman, in addition to his existing responsibilities.

*

Mr. Bill Murphy has been appointed by SHELL UK EXPLORATION AND PRODUCTION to the new post of general manager, northern operations, and has been succeeded as technical manager by Mr. Arlie Winn. Mr. George Hughes has become manager, finance, and Mr. Dall Fraser, manager, administration, reporting to Mr Murphy. The changes follow the appointment of Mr. Malcolm Ford as deputy managing director of Shell Expro in addition to his position as director of northern operations. Until an operations manager is appointed at the Tullos Operations Centre, Mr Murphy will hold that post in addition to general manager.

*

Mr. Hugh R. Rolfe has become managing director of the plastics division of CIBA-GEIGY PLASTICS AND ADDITIVES COMPANY. He succeeds Dr. K. W. Humphreys who has been appointed managing director designate of the company.

*

Mr. H. S. Spratt has been appointed a director of BLAND PAYNE (INTERNATIONAL) and Mr. K. C. Ashworth, Mr. S. J. Quick and Mr. J. J. C. Underwood have become assistant directors. Mr. J. W. Eagle, Mr. P. Hastings, Mr. P. J. J. Stow and Mr. R. C. Wiggins have been made assistant directors of BLAND PAYNE (MARINE).

*

Mr. Peter Weir-Rhodes has been appointed assistant general manager—business development of the TSB TRUST COMPANY in Andover. He was previously with Hambro Life.

*

Mr. Charles F. Lowe has resigned as managing director of H J HEINZ COMPANY for health reasons, but remains a director. Mr. John Bodmer, Mr. Roy King and Mr. Keith L. Smart, senior directors, now report direct to Mr. John A. Connell, deputy chairman.

*

Mr. Brian Worthington has been appointed company secretary to the E. H. COLE GROUP.

*

Mr. R. D. Crook and Mr. I. P. L. Newton have been appointed divisional directors of the aviation division of SMITHS INDUSTRIES.

*

Mr. D. A. Kerr has been appointed an assistant general manager of EQUITY AND LAW LIFE ASSURANCE SOCIETY responsible for UK sales and marketing in succession to the late Mr. W. R. Taylor. Mr. J. Medlock succeeds Mr Kerr as pensions manager and Mr. L. Gibson has been made marketing manager.

*

Mr. D. R. Raybould and Mr. J. C. Woodward have been appointed directors of WIMPEY LABORATORIES.

*

Mr. Bob Gibson has been appointed to the Board of PENTOS ENGINEERING GROUP and has succeeded Mr. T. S. Ringrose as managing director of Jeavons Contracting. Mr. Brian Cowley has joined the Board of Pentos Engineering Group and has replaced Mr. H. E. Shaw as managing director of Jeavons Engineering. Mr. Ringrose and Mr. Shaw are retiring.

*

Mr. R. G. Beeston has been appointed managing director of BONE CRAVENS, an operating company of John Brown Plastics Machinery. He succeeds Mr. G. K. Johnston who continues as chairman.

*

Mr. Ian C. Bell has been appointed managing director of HOWARD ROTAVATOR COMPANY and Mr. John Austin continues as chairman. The parent concern is Howard Machinery.

Mr. Ian Bell

*

Mr. David Ross has been appointed financial controller for PYE LTD. He transfers from Philips Electric Arc Welding.

*

Mr. R. N. Skinner has become deputy managing director of RELIANCE SYSTEMS. Mr. Stanley Ray, Midlands regional manager, has been appointed a director.

*

HAYWARD AND WOOSTER has joined the Joseph Cartwright group and the new Hayward Board comprises Mr. A. A. Crockers (chairman), Mr. P. Bewell (managing director), Mr. A. C. Allen, Mr. E. Mould and Mr. K. A. Sharp.

*

Mr. F. M. Remick, vice president and general manager of THE DETROIT BANK AND TRUST COMPANY, returns to the bank's head office in Detroit to take over new responsibilities and Mr. H. Windsor has become general manager of the London branch.

*

Dr. J. A. McFadzean has been appointed director of pharmaceutical research and development in the pharmaceutical division of MAY AND BAKER.

*

Mr. A. C. Barber has been appointed technical director of IMI TITANIUM in succession to Mr. A. D. Busby, who is retiring as technical and special projects director. Dr. P. H. Morton has become research and development manager, responsible to Mr. Barber.

*

Mr. Geoffrey Halstead has been appointed deputy chairman of JAMES HALSTEAD (HOLDINGS).

*

Mr. Geoffrey Heywood has been appointed a part-time member of the NATIONAL BUS COMPANY from September 1 1978 until December 31 1983. He is deputy chairman of the Mersey Docks and Harbour Company.

This week's SE dealings

Friday, August 4	5,673	Wednesday, August 2	4,754	Monday, July 31	5,045
Thursday, August 3	5,746	Tuesday, August 1	4,374	Friday, July 28	5,517

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (699)

CORPORATIONS (34)

FREE OF STAMP DUTY

SHORT DATED BONDS

FREE OF STAMP DUTY

PUBLIC BOARDS (14)

FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (7)

REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS (1)

COUPONS PAYABLE IN LONDON

CORPORATION STOCKS

FOREIGN

UK RAILWAYS (5)

Series A ($C10) 725. 4pcDb. 33

New Brunswick Rly. Co. (Leased to C.P.) 4pcDb. 28

Ontario and Quebec Rly. 5pcDb. 40: (3/8)

Toronto Grey and Bruce Rly. 29Φ (3/8)

FOREIGN RAILWAYS (1)

Antofagasta (Chili) Rly. 24 (3/8)

Chilian Northern Ry. Co. 5pc1st Mtg.Db. 93

BANKS (230)

African Dev. Bk. 254

Algemene Bk. Nederland (Fl100) 129½ (2/8)

Allen Harvey Ross 34½Φ ½O. 4pcPfd. 208

Arbuthnot Latham Hldgs. 153Φ (3/8)

Allied Irish Bks. (25p) 208. 10pcLn. 184Φ

Australia New Zealand Bkg. Grp. ($A1) 283Φ 7 5½. New 30Φ 1½Φ 3 3½ 2 6

Bank of Ireland 397. 10pcLn. 184

Bank Montreal ($C2) 16

Bank New Sth. Wales (Lon. Reg.) 548Φ 54½ (3/8)

Bank Nova Scotia ($C1) 15 (3/8)

Bank Scotland 275Φ

Barclays 339½Φ 70 45 40 38½ 7½. New 339 40 35 7. 8¼pcLn 71¼Φ 2¼ 1¾

Brown Shipley Hldgs. 225Φ (3/8)

Can. Imperial Bk. Commerce ($C2) 19½Φ

Clive Discount Hldgs. (20p) 80Φ 1Φ

Commercial Bk. Australia ($A1) 207Φ (3/8)

Commercial Bkg. Sydney ($A1) 160Φ (3/8)

Gerrard National (25p) 187 6

Gibbs (A.) Hldgs. (25p) 44Φ 4 (3/8)

Gillett Bros. 235Φ 6Φ

Grindlays Hldgs. (25p) 129

Guinness Peat (25p) 245Φ 50½ 50 45

Hambros Shares (25p) 160Φ 4Φ 5 60

Hill Samuel (25p) 94Φ 4. 8pcLn. 67½ (3/8)

Hongkong Shanghai ($HK2.50) 339Φ 49½Φ 54 2 5 50

BREWERIES (240)

CANALS AND DOCKS (2)

COMMERCIAL (3,343)

A—B

Blackwood Hodge (25p) 65Φ ½Φ 4½ 5½ 4. 9pcLn. 111Φ (3/8)

Blackwood Morton and Sons (Hldgs.) (25p) 24½ (3/8)

Blagden and Noakes (Hldgs.) (25p) 260Φ

Bluebird Confectionery Hldgs. (25p) 81 (3/8). New (25p) 78

Blue Circle Industries 274Φ 67½Φ 72Φ 2 4 5. 7pcDb. 66½O. 9pcDb. 77¼

Bluemel Bros. (25p) 71 70 (2/8)

Blundell-Permoglaze Hldgs. (25p) 74Φ 6 (3/8)

Boardman (K. O.) Intnl. (5p) 15½ (3/8)

Bodycote Intnl. (25p) 68

Bolton Textile Mill (5p) 10½Φ (3/8)

C—D

Dunhill (Alfred) (10p) 35Φ (1/8)

Dunlop Hldgs. (50p) 75Φ 2½Φ 4 2 ½ 3 2½ 3¼½. 5¼pcPf. 43 2. 6¼pcDb. 67Φ. 8pcLn. 64 (3/8)

Dunlop Textiles 6½pcPf. 46Φ

Duple Intnl. (5p) 18¼

Duport (25p) 70Φ 2. 10pcLn. 11Φ 11 (1/8)

Durapipe Intnl. (25p) 143Φ 40Φ 1 (3/8)

Dutton-Forshaw Grp. (25p) 50½

Dwek Grp. (10p) 9½Φ 10

Dyson (J. J.) (25p) 65Φ (3/8). A.N.-vtg. (25p) 65Φ 5 (3/8)

E—F

G—H

IU Inter. Corp. ($US1.25) £9.05½Φ

Ibstock Johnsen (25p) 186 4

Illingworth Morris (20p) 32 (3/8). Do. A NV 30½Φ 30 ½

Imasco 6pcPf. ($C4) 255Φ

ICI 391½Φ 6Φ 88Φ 80 91½ 3 2 90 89½ 8½ 96 90½ 2½ 4 89 7½. 5pcPf. 42½Φ ½. 5½pcLn. 46 (3/8). 7¼pcLn. 66½Φ ¼Φ. ½ ¼ ½ 6 7¼ 7. 8pcLn. 68½Φ ¼ ½ 9¼ 8. 10¼pcLn. 86¼ 5¼ ½

Imperial Cold Storage (R0.25) 123 (2/8)

Imperial (25p) 83½ 4½ 5 3 4. 4pcLn. 88 (3/8). 5¼pcLn. 74¼ (31/7). 6.9pcLn. 53½ (2/8). 7.5pcLn. 58 (31/7). 10.5pc Ln. 85¼Φ 4¼ ½. 8pcLn. 75Φ 4½ 3 4

I—J—K

L—M

Mixconcrete (25p) 73Φ 6Φ

Molins (25p) 135 (3/8)

Monk (A) (25p) 84

Monsanto 6¼pcGtd.Ln. 46½ (3/8). 5pc Stlg.-$Gtd.Ln. 123 (3/8)

Montfort (Knitt. Mills) (25p) 68½ (3/8)

Monument Secs. (10p) 7

More O'Ferrall (10p) 77 (3/8). New (10p) 80

Morgan Crucible (25p) 120Φ

Morgan Edwards (10p) 54 7 (3/8)

Morrison (Wm.) Supermarkets (10p) 95Φ 90

Moss Bros. (20p) 125

Moss Engineering Grp. (25p) 66 (2/8)

Moss (Robert) (10p) 30 (1/8)

Mothercare (10p) 160Φ 4 4½

Mount Charlotte Inv. (10p) 19½

Mowlem (John) (25p) 125Φ 6Φ

Muirhead (25p) 178Φ

Myson Grp. (10p) 66Φ 7Φ 8Φ 9

N—O—P

NCR Corp. US59⅞ (2/8)

NCR Ld. 4pcStlg.Dir.Cnv.Gtd.Ln. 85½ (2/8). 8½pcLn. 65¾ 6¼ (31/7)

NSS Newsagents (10p) 114 (1/8). 9pcPf. 89Φ

National Carbonising (10p) 42Φ 39 41

Needsend (25p) 49Φ ½Φ 9 8½ 9¼½

Negretti Zambra (25p) 90Φ 1 90

Neil Spencer Hldgs. (10p) 120 19

Neill (James) Hldgs. (25p) 105

Newarthill 151 (3/8)

Newbold Burton Hldgs. (25p) 50

Newman Inds. (25p) 82½Φ

Newman-Tonks (25p) 60Φ 60 (3/8)

News International (25p) 270Φ 5 (3/8)

Nichols (J. N.) (Vimto) (25p) 200

Norcros (25p) 97½Φ 100Φ 100. 7¼pc Uns.Ln. 80½Φ ¼ (3/8). 14pcUs.L. 99½Φ

Q—R—S

Solicitors' Law Stationery Society (20p) 56 7 (2/8)

Sommerville (Wm.) (25p) 60Φ 3 (3/8)

Somportex Hldgs. (25p) 81 (1/8)

Sotheby Parke Bernet (25p) 308 5 3

Southern Constructions (Hldgs.) (5p) 6½Φ (3/8)

Southerns-Evans 8pcDb. 74¼ 5 (31/7)

Sparrow (G.W.) (20p) 99 (1/8)

Spear Jackson Intnl. (25p) 124 (2/8)

Spear (J.W.) (25p) 205Φ 3Φ

Spencer Clark Metal Industs. (20p) 30

Spencer Gears (Hldgs.) (5p) 15½

Spencer (George) (25p) 43 (2/8)

Spillers (25p) 31 30½ 2. 7¼pcDb. 72¼Φ (3/8)

Spirax-Sarco Engineering (25p) 168 (31/7)

Staflex Intnl. (25p) 8½Φ 7½Φ ½ 8½. 6½pcUns.Ln. 32½ (1/8)

Stag Furniture Hldgs. (25p) 122Φ (3/8). 10pcPf. 97½ 9 (1/8)

Stakis (Reo.) Organisation (10p) 30½. New (10p) 31 (1/8)

Stanley (A.G.) Hldgs. (5p) 133Φ

Startrite Engineering (20p) 92 (3/8)

Status Discount (10p) 170 4

Staveley Industs. 295 6. 7½pcUns.Ln. (20p) 65½ (3/8)

Stead Simpson A (25p) 40 (3/8)

Steel Brothers Hlds. (25p) 247 52. 9pc Uns.Ln. 67 (2/8)

Steetley (25p) 197. 7pcUns.Ln. 118 (3/8)

Steinberg 18½Φ

Sterling Industries (2½p) 29½Φ. 1stPf. 34 (31/7)

Stewart Plastics (25p) 162 (2/8)

Stocklake Hldgs. (25p) 64Φ 5 (3/8)

Stocks (Joseph) and Sons (Hldgs.) (25p) 155 (2/8)

Stoddard (Hldgs.) A Non-Vtg. (25p) 28½ (31/7)

Stonehill Hldgs. (25p) 108

Rembrandt purchases

REMBRANDT Group of South Africa will offer to buy the shares of Oude Meester Group and Intercontinental Breweries, it does not already own for 60 cents a share. The purpose of the offer is to rationalise the companies' liquor interests under the control of the Rembrandt Group. Reuter reports from Stellenbosch.

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 11.8.78.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	10¾	11	11¼	11½	11¾	12	12¼	12½

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

WATERWORKS (8)

Bristol 4.9pc 45 (3/8). 3.85pcPf. 76¾ (31/7). 4.025pcPf. 68½. 7pcDb. 86½ (3/8)
East Anglian 4.2pcPf. 1982-83 74 (31/7). 7pcPf. 1983 (£10 pd.) 10⁹⁄₁₆ ⅝
East Surrey 4.2pcPf. 62½
Essex 4.025pcPf. 1986-88 62½ (1/8)
Folkestone Dist. 4.9pcPf. 72 1¾
Mid Kent 3.5pcPf. 33 (2/8). 4.2pcPf. 1985-1987 65
Mid Southern 4.2pcPf. 1984-86 67 (3/8)
Newcastle 4.025pcPf. 74 (3/8). 4.2pcPf. 91 (3/8) 5pcDb. 34 (3/8)
North Surrey 4.55pcPf. 82 (3/8)
Portsmouth Water Co. 33½
Rickmansworth 6¼pcDb. 74 (3/8)

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

AUGUST 4 (Nil)

AUGUST 3 (Nil)

AUGUST 2 (Nil)

AUGUST 1 (Nil)

JULY 31 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

AUGUST 4

Ampol Pets. 81
Atherton Antimony 81 90
Australian Dev. 55
Australian Oil Gas 55 5 4
Bougainville Copper 134 3 7 5
Bridge Oil New 4 ½. Ord. 86 3
CF and I Steel Con. US$ 32¼ ½
Central Pac. Mins. 600
Cheung Kong 189 91 90 2½ 81
Containers 204

Bougainville Copper 133
Bridge Oil New 4½
British Controlled Oilfields 12
Carpenter (W. R.) 101
Central Pacific Mines 600 9
Cheung Kong 174
Communication Satellite £35⅛
Cons. Goldfields Australia 285
Containers 223
Conzinc Rio Tinto 244
Data General $US67¼
Digital Equipment $US53⅞
Dunlop Australia 119
Exxon Corpn £35⅝
Gold Mines of Kalgoorlie 61
Gould Corpn. £23⅝
Holiday Inns Br. $US20⅛
Hong Kong 176½ 80
Hudson's Bay Oil and Cons £31¾
Imperial Oil A £13¹¹⁄₁₆
Jardine Matheson 273 3
Jennings (A. V.) 103
New Metal 4¼
Northern Mining 104
Oil Search 13
Pacific Copper 60
Pancontinental £15⅛ 14¾
Peko Wallsend 524
Santa Fe Int. $US28¼
Sears Roebuck £20⅛
Straits Trading 185
Swire Pacific A 155
Swire Props. 62½
Texas Instruments £70
Third Canadian and General Inv. £10
Tooth Co. 174
Tonka Corpn. 835
TriContinental £14¾
Vultan Mins. 11½
Westfield Mins. 109
Wherlock Marden A 56
Woodside Pets 77 8 9
Woolworth (F. W.) Cons £15⅞

AUGUST 2

Australian Guarantee 132
BP Canada £10¹¹⁄₁₆
Berjuntai Tin 270
Central Pacific Minerals 600
Coles (G. J.) 191
Conzinc Rio Tinto US3.29
Daimler Benz £123¾
Eltra Corpn. $US30⅛
Futurity Oil 21
Goodyear Tire £14
Great Lakes Chem £32⅞
Hong Kong Land $US2.30 p177
Hutchison Whampoa $US1.40½ p107½
Kulim Malaysia 53
Lend Lease Corpn. 245

Gold Mines Kalgoorlie US$ 0.82
Matheson Inv. Stlg 5 Cnv. £110½
Metal Ex. 30
Natal Coal Ex. 100
Power Cpn. Canada £11
Swan Brews. 146
Whim Creek 50
Willamette US$ 30⅞

JULY 31

American Teleg. Teleph. US$ 60¼ £46⅝
Anheuser Busch £19¼
Australian Dev. 50
Australian Oil Gas 51
BHP 7pcDb. 1980 £73
Bank Hldg. Cpn. 110
Courtaulds Intnl. Fin. 9½pc 1978-89 £90½
IAC £13¼
Kulim Malaysia 53½
Northern Mng. 116 15
Oakbridge Secs. 165¾
Otter Ex. 40
Penang Cons. 67
Sabina Inds. 52
Selangor Coconuts 1070
Sthrn. Pac. Props. 12
Unidev 47

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

AUGUST 4

All England Lawn Tennis Ground £50Dbs. 1981-85 (£32½ pd.) £2950
Buenos Ayres Lacroze Tramways 5pcStlg. 1stMtg.Db. £30pc
Cambridge Instrument 1½
Celtic Basin Oil Exploration 50¼
Clairmace 26 4
Clairmace New 4½ 3 2
Clyde Petroleum 128 6 4
Eldridge Pope A 190
Estateways Builders 4pcCum.Pf. 22
GRA Prop. Tst. 15¼ 15 14¾
Heavitree Brewery A 490
Home Brewery 279½ 9
Home Brewery 5 282 1½
Irish Press 22010
Irish Press 220 10
Kapera Inv. US$ 0.70
Kellock Hldgs. 37 6 5 4 3 2
Kellock Hldgs. 11pcRd.Cum.Pf. 1993-98 86 5 3
Kellock Hldgs. Var.RateUns.Ln. (1st Sers.) 34 33½ 3 2 1
Kellock Hldgs. Var RateUns.Ln. (2nd Sers.) 33 2 1½ 1 30
Le Riches Stores 500 495
Manx Petroleum 20 ½
Medens Tst. 16¾ ½
Mining Inv. Cpn. 34
NMW Computers 179
New Court Natural Resources 12 11½
North Sea Assets 87½ 25
Norton Villiers Triumph 3½
Oldham Brewery 70
Queens St. Warehouse (Hldgs.) 2
Stylo Barratt Shoes 7pcCum.Pf. 46
Tea Cpn. 9
Trebor Grp. 10.75pc2ndCum.Pf. 100
3M United Kingdom 4¾pcCum.Pf. 61
Viking Oil 125 3 1
Wadworth 10pcNewCum.Pf. 94

AUGUST 3

Aran Energy 124
Border TV A Non-Vtg. Ord. 20
Cedar 15½
Celtic Basin Oil 50
Clairmace Ord 24. New Ord. 3
Clyde Petroleum 125
Dollar Land 17

All England Lawn Tennis Ground £50Dbs. £2 800
Aston Villa FC £18
Cambridge Instrument 1½
Cedar 15p SprRed Cnv Pf 27 2
Grendon Trust 11pcSub.Uns.Ln. £57 56
Kalnleen Invests. (Australia) 21½ 14
Kellock Hldgs. 40 38½ 8 7 5½ 5 11pc Red.Cum Pf. (£1) 1993-98 53. Var. Rate Uns.Ln. 1st Ser. 36 5½ 5 4 3 2. Var. Rate Uns.Ln. 2nd Ser. 35½ 3½ 3 2½ 1 30
Morrall (Abel) 5.25pcNet)8Cum.Pf. 160
Norton Villiers Triumph 4
Ormerod (John) 15. 7½pcCum.Pf 25
Ouvah Highfields 50
Queensland Mines 250 46
Twinlock 19¼
Wadworth 10pcCum.Pf. 95¼ 5. 10pc New Cum.Pf 97¼ 7
Weetabix A 62
Yelverton Invests 0.005 0.0052

AUGUST 1

Arsenal FC £160 55
Aston Villa FC £100 90
Burroughs (Jas.) 110
Carrs Milling Industries 7½pcUns.Ln. 2001-2005 £40
Channel Hotels and Props. 22 1
Darling Fund (A$ 1) 155
Doloi Tea Hldgs. 135 4½
GRA Prop. Tst. 14 ¾ ½ ¼
Kellock Hldgs. 2ndCnv.Fxd Sub.Var.Uns.Ln. 2nd Series 35 4 3½ 27
NMW Computers 170

JULY 31

GRA Prop. Tst. 15 14½ ¾ ¼
Grampian TV 25
Mining Inv. Cpn. 36
Morton (George) 3.5pcCum.Pf. 30
New Court Natural Resources 12 11½
Rangers FC 800
Twinlock 12pcUns.Ln. 1976-99 £74
Whitley Bay Entertainments 108 6

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

AUGUST 3

CCP North Sea Associates £11 10¾ ½ ¼
Gas and Oil Acreage 105
Siebens Oil and Gas (U.K.) 408 4 397 6 4 2 90 38 6 5 4 0

AUGUST 2

CCP North Sea £10¾ ½ ¼
Cluff Oil 425
Siebens (U.K.) 414 10 8

AUGUST 1

CCP North Sea £10½ ¼
Siebens (UK) 41½ 16 12 14 10

JULY 31

CCP North Sea Associates £10¼ 10
Siebens Oil and Gas (U.K.) 416 4 2 10 6
Gas and Oil Acreage 110 3 5 4½

JULY 29

CCP North Sea Associates £10½ 10 9¾ ½ ¼ ½ ¼ 9
Cluff Oil 475 25 400
Gas and Oil Acreage 107
Siebens (U.K.) 418 16 14 12 10 12 10
(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	11	½-year	250	5-7
Knowsley (051 548 6555)	11½	½-year	1,000	5-7
Poole (02013 5151)	10¾	½-year	500	5
Poole (02013 5151)	11¼	½-year	500	6-7
Redbridge (01-478 3020)	11¼	½-year	200	5-7
Thurrock (0375 5122)	11	½-year	300	4
Thurrock (0375 5122)	10¾	½-year	300	3

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Aid to Thrift	7.00%	7.50%	—	—
Alliance	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Anglia Hastings & Thanet	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Birmingham Incorp.	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Bradford and Bingley	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £200
Bridgwater	6.45%	6.70%	8.50%	7.90% 2½ yrs., 7.45% 2 yrs.
Bristol and West	6.45%	6.70%	7.95%	—
Bristol Economic	6.45%	6.70%	7.95%	6.95% 3 months' notice
Britannia	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £500
Burnley	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Cardiff	6.45%	7.25%	8.25%	—
Catholic	6.90%	6.80%	7.50%	— effective from September 1, 1978
Chelsea	6.45%	6.70%	7.95%	7.45% min. £500 6 months' notice
Cheltenham & Gloucester	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs. (£500-£15,000)
Citizens Regency	6.45%	7.05%	8.25%	8.30% 3 yrs., min. £5,000
City of London	6.70%	7.00%	7.95%	7.92% 3 yrs., increment share—min. £500
Coventry Economic	6.45%	6.70%	7.95%	7.70% 3 yrs. min., 7.20% 3 mths.' notice
Coventry Provident	6.45%	6.70%	8.70%	7.95% 3 yrs., 6.95% 2 yrs.
Derbyshire	6.45%	6.70%	7.20%	— up to 7.2% 3 months' notice
Gateway	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., min.£500-£15,000
Guardian	6.45%	6.95%	7.20%	7.65% 3 months' notice, £1,000 min.
Halifax	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Heart of England	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 3 months' notice
Hearts of Oak & Enfield	6.45%	6.95%	8.45%	8.20% 4 yrs., 7.95% 3 yrs., 7.70% 2 yrs.
Hendon	6.70%	7.20%	—	7.70% 6 months
Huddersfield & Bradford	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Leamington Spa	6.55%	6.80%	9.26%	7.55% 2 yrs., 8.25% 1 yr.
Leeds Permanent	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £1,000
Leicester	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 6 mths.
Liverpool	6.45%	6.70%	8.15%	7.80% 3 yrs., 7.30% 2 yrs., min. £1,000
London Goldhawk	6.45%	6.95%	8.20%	—
Melton Mowbray	6.55%	6.80%	7.95%	7.55% 2 yrs., min. £2,000
Midshires	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £250
Mornington	7.25%	7.50%	—	—
National Counties	6.70%	7.00%	8.00%	7.45% 3 months, min. £1,000
Nationwide	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., min. £500
Newcastle Permanent	6.45%	6.70%	8.00%	8.00% 3 yrs., 7.70% 2 yrs.
New Cross	7.25%	7.50%	—	—
Northern Rock	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £100
Norwich	6.45%	6.70%	8.20%	7.70% 3 yrs., 7.45% 2 yrs., min. £500
Paisley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., min. £500
Peckham Mutual	6.75%	7.25%	—	—
Portman	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.45% ½-yrly., 6.95% 3 mths.
Principality Buildg. Society	6.45%	6.70%	7.95%	7.20% 2 yrs., minimum £500
Progressive	6.70%	6.95%	7.95%	7.95% 3yrs., 7.70% 2yrs., 7.45% 3mths.not.
Property Owners	6.45%	7.20%	8.45%	7.65% 3 mths. not., 5.70% to limited cos.
Provincial	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs.
Skipton	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., 6.95% 3mths.not.
Sussex Mutual	6.45%	7.00%	8.75%	8.05% 3 yrs., 7.75% 2 yrs., 7.50% 1 yr.
Town and Country	6.45%	6.70%	♣10.00%	7.70% 3 yrs., 7.20% 2 yrs. ♣ Max. £250
Woolwich	6.45%	6.70%	7.95%	7.20% 2 yrs., 7.70% 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.

Currency, Money and Gold Markets

UK MONEY MARKET

Fall in bill rate

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

The Treasury bill rate fell by 0.1490 per cent at yesterday's tender to 8.9646 per cent and the minimum accepted bid was £97.76½ compared with £97.72½ the previous week. Bids at that level were met as to about 99 per cent against 79 per cent. The £400m bills tendered and allotted attracted bids of £754.905m and all bills offered were allotted. Next week £300m will be on offer replacing maturities of £500m.

Day-to-day credit was in slightly short supply in the money market and the authorities gave assistance by buying a small amount of Treasury bills. Discount houses were paying up to 10½ per cent for secured call loans in places and rates finished between 9½ per cent and 10½ per cent.

The market was faced with a modest net take-up of Treasury bills and a slight amount of local authority bills and eligible bank bills maturing in official hands. Banks also brought forward run down balances. On the other hand, there was a substantial excess of Government disbursements over revenue transfers to the Exchequer.

In the interbank market, overnight loans opened around 10¼ per cent and rose to 10½ per cent before easing to 9¾-10 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND GOLD

Activity in yesterday's foreign exchange market was at a generally low level ahead of the weekend and most currencies remained subdued. Early trading saw the dollar looking slightly softer but it may have been held a little. Certainly the Bundesbank intervened at the fixing to the tune of some $16m but there was no real pressure on the U.S. currency.

After lunch the dollar was slightly easier but picked up later with a little demand in very thin trading to finish at its best level for the day in places. At one point it sank to SwFr 1.6950 against the Swiss franc but recovered considerably to finish at SwFr 1.7173 compared with SwFr 1.7055 on Thursday. The dollar closed at its best level against the West German mark at DM 2.0340 from DM 2.0320 previously.

The yen was slightly weaker in dollar terms and with little in the way of fresh factors to influence the market, it finished at Y190.025 from Y188.0 previously. Using Morgan Guaranty's calculation at noon in New York, the dollar's trade weighted average depreciation narrowed to 9.0 per cent against 9.1 per cent.

Sterling traded quietly and opened at $1.9300-1.9310. With the dollar looking weaker at times during the day, however, the pound only managed to reach $1.9305-1.9315 and eased back in the afternoon to close at $1.9230-1.9240, a fall of 65 points. Against other currencies, sterling showed little change and the Bank of England's calculation of its trade weighted index was unchanged throughout at 62.4.

Gold lost $1¼ an ounce to close at $201-201¾ in generally quiet pre-weekend trading.

THE POUND SPOT

Aug. 4	Bank rate %	Day's spread	Close
U.S. $	7¼	1.9225-1.9315	1.9230-1.9240
Canadian $	9	2.1870-2.1955	2.1870-2.1880
Guilder	4½	4.22-4.25	4.23-4.24
Belgian Fr.	6	61.55-61.95	61.60-61.70
Danish K.	8	10.63-10.69	10.63½-10.64½
D-Mark	3	3.90½-3.93½	3.91-3.92
Port. Esc.	18	87.50-87.90	87.50-87.75
Span. Pes.	8	146.75-147.40	148.80-148.90
Lira	11½	1,618-1,626	1,618-1,619
N'wgn. Kr.	7	10.25-10.31	10.25-10.26
French Fr.	9½	8.43-8.48	8.43½-8.44½
Swedish Kr.	6½	8.61-8.68	8.61½-8.62
Yen	3½	362-368	365-366½
Austria Sch.	4½	28.10-28.30	28.10-28.20
Swiss Fr.	1	3.27½-3.31	3.29½-3.30½

Belgian rate is for convertible francs. Financial franc 63.20-63.30.

OTHER MARKETS

Aug. 4	£	$		£ Note Rates
Argentina Peso	1.656-1.560	808.94-811.02	Austria	27¾-28¾
Australia Dollar	1.6650-1.6730	0.8656-0.8698	Belgium	63-64
Finland Markka	7.9920-8.0000	4.1500-4.1520	Denmark	10.60-10.73
Brazil Cruzeiro	34.93-35.93	18.16-18.66	France	8.40-8.50
Greece Drachma	69.951-71.699	36.37-37.26	Germany	3.85-3.95
Hong Kong Dollar	8.99-9.01	4.6680-4.6700	Italy	1600-1625
Iran Rial	133-139	69.14-72.26	Japan	362-372
Kuwait Dinar (KD)	0.518-0.528	0.2684-0.2736	Netherlands	4.20-4.30
Luxembourg Franc	61.60-61.70	32.02-32.08	Norway	10.25-10.35
Malaysia Dollar	4.4625-4.4750	2.3200-2.3220	Portugal	82-89
New Zealand Dollar	1.8255-1.8335	0.9459-0.9510	Spain	144½-148
Saudi Arabia Riyal	6.51-6.61	3.38-3.44	Switzerland	3.25-3.35
Singapore Dollar	4.3465-4.3580	2.2575-2.2585	United States	1.92½-1.93½
South African Rand	1.6697-1.6869	0.8681-0.8770	Yugoslavia	36½-38½

Rate given for Argentina is free rate.

MONEY RATES

NEW YORK

Prime Rate	9
Fed Funds	7.875
Treasury Bills (13-week)	6.80
Treasury Bills (26-week)	7.22

GERMANY

Discount Rate	3
Overnight	3.4
One month	3.7
Three months	3.8
Six months	4.1

FRANCE

Discount Rate	9.5
Overnight	7.125
One month	7.25
Three months	7.375
Six months	7.8125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.5
Bills Discount Rate	4.75

LONDON MONEY RATES

Aug. 4 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ϕ	Eligible Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	9¾-10½	—	—	—	10⅝	9¼-10½	—	—	—
2 days notice	—	—	9⅞-10	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10⅝	—	—	—	—
7 days notice	—	10-10⅛	9⅞-10	—	10	—	9½-9⅞	—	—	—
One month	9[illegible] 9¾	9[illegible]	9⅞	10¼	10⅛	10½	9⅝	8⅞-8[illegible]	9[illegible]	10⅛
Two months	9¾-9⅝	9[illegible]	—	9½	10⅜	—	9¼	8[illegible]	9⅝ [illegible]	10⅛
Three months	9⅝-9½	9[illegible]	9¾	9½	10⅜	10	9⅛	9[illegible]-9⅛	9[illegible]	10¼
Six months	9[illegible]	9[illegible]	9⅞	8⅞	10⅝	—	—	—	9[illegible]	10⅝
Nine months	9[illegible]	9¾-9⅞	—	9½	10⅛	—	—	—	—	—
One year	9[illegible]	9⅞-10	10⅛	9⅝	10⅝	—	—	—	—	—
Two years	—	—	10⅝-10¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Longer-term local authority mortgage rate nominally three years 11¼ per cent; four years 11½ per cent; five years 11¾ per cent. ϕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⁹⁄₁₆ per cent; four-month trade bills 10½ per cent.

Approximate selling rates for one-month Treasury bills 8¾-8¹³⁄₁₆ per cent; two-month 8¹³⁄₁₆-8²⁷⁄₃₂ per cent; and three-month 8⅞ per cent. Approximate selling rate for one-month bank bills 9¼-9¹¹⁄₁₆ per cent; and two-month 9⅝-9⁹⁄₁₆ per cent; and three-month 9⁷⁄₁₆-9½ per cent. One-month trade bills 10 per cent; two-month 10 per cent and also three-month 10 per cent.

Finance House Base Rates (published by the Finance Houses Association): 10½ per cent from August 1, 1978. **Clearing Bank Deposit Rates** (for small sums at seven days' notice) 6½-7 per cent. **Clearing Bank Base Rates for lending** 10 per cent. **Treasury Bills:** Average tender rates of discount 8.9646 per cent.

CURRENCY RATES

August 4	Special Drawing Rights	European Unit of Account
Sterling	0.654110	0.659931
U.S. dollar	1.26276	1.27436
Canadian dollar	1.43652	1.44897
Austrian schilling	18.4616	18.6277
Belgian franc	40.3957	40.7668
Danish krone	6.99054	7.05263
Deutsche Mark	2.56151	2.58512
Guilder	2.77176	2.79757
French franc	5.53341	5.58253
Lira	1062.61	1072.21
Yen	238.030	240.264
Norwegian krone	6.73556	6.79446
Peseta	96.2791	97.1331
Swedish krona	5.66727	5.70404
Swiss franc	2.15427	2.16960

EURO-CURRENCY INTEREST RATES*

Aug. 4	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilder	Swiss Franc	W. German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	10⅜-10⅝	8-9	7¾-8	5-5¼	par-½ dis	2⅞-3⅛	7⅝-7⅞	8-12	—	—
7 days' notice	10⅜-10⅝	8-9	7⅞-8	5-5¼	par-¼	2⅞-3⅛	7⅝-7⅞	12¼-13¼	7[illegible]-8[illegible]	-1½-3¼
Month	10⅝-11	8⅛-8½	8⅜-8⅝	5⅛-5¼	½-⅝	3¼-3⅜	8¼-[illegible]	12½-13½	8[illegible]-8[illegible]	[illegible]
Three months	10½-10⅞	8½-8⅞	8⅛-8⅜	5[illegible]-5[illegible]	[illegible]	3⅜-3½	9⅛-9⅜	12¾-13¾	8[illegible]-8[illegible]	1[illegible]-1[illegible]
Six months	10[illegible]-11[illegible]	8⅞-9¼	8½-8¾	6[illegible]-6[illegible]	1-1⅛	3[illegible]-3[illegible]	9¼-9½	13-14	8[illegible]-8[illegible]	2[illegible]-2[illegible]
One year	11-11⅜	9⅛-9½	8⅞-9⅛	6[illegible]-6[illegible]	1[illegible]-1[illegible]	4[illegible]-4¼	10⅛-10⅜	14-15	8⅞-9	2⅞-3⅛

The following nominal rates were quoted for London dollar certificates of deposit. One month 7.95-8.05 per cent; three months 8.10-8.20 per cent; six months 8.55-8.65 per cent; one year 8.70-8.80 per cent.

Long-term Eurodollar deposits: two years 9-9¼ per cent; three years 9³⁄₁₆-9⁵⁄₁₆ per cent; four years 9¼-9½ per cent; five years 9⁵⁄₁₆-9⁷⁄₁₆ per cent nominal closing rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 4/8/78

Statistics provided by data STREAM International

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Alcan Aluminium 9pc Cv. 89-94	9.05	148.00	100.0	76-80	6.1	3.7						
Associated Paper 9½pc Cv. 85-90	1.40	115.00	200.0	76-79	8.3	6.8	− 5.7	−10 to 2	5.1	4.5	− 0.5	+ 5.2
Bank of Ireland 10pc Cv. 91-96	8.22	185.00	47.6	77-79	5.5	2.5	− 3.6	− 8 to 1	11.0	9.6	− 0.7	+ 2.0
British Land 12pc Cv. 2002	7.71	147.00	333.3	80-97	8.3	7.9	11.6	12 to 27	0.0	93.7	71.2	+59.5
English Property 6½pc Cv. 98-03	8.07	84.00	234.0	76-79	7.9	8.2	− 4.3	−11 to 4	8.4	3.2	− 5.9	− 1.7
English Property 12pc Cv. 00-05	15.31	86.00	150.0	76-84	14.5	14.5	52.9	24 to 82	30.8	49.2	32.6	−20.3
Hanson Trust 6½pc Cv. 88-93	4.51	83.00	57.1	76-80	8.1	8.8	3.0	1 to 12	8.3	9.1	0.9	− 2.1
Hewden-Stuart 7pc Cv. 1995	0.07	240.00	564.5	75-79	2.9		−34.1	−34 to −9	9.2	3.3	− 1.6	+32.5
Pentos 15pc Cv. 1985	1.03	153.00	166.7	76-82	9.9	6.2	− 7.3	−12 to 36	43.1	42.6	− 0.3	+ 7.0
Slough Estates 10pc Cv. 87-90	5.50	174.00	125.0	78-87	5.8	1.2	13.2	7 to 16	37.0	53.6	10.8	− 2.4
Tozer, Kemsley 8pc Cv. 1981	7.33	94.00	153.9	74-79	8.7	11.0	3.6	4 to 15	7.3	7.6	0.3	− 3.3
Wilkinson Match 10pc Cv. 83-98	11.10	90.00	40.0	76-83	11.2	11.4	20.3	20 to 40	32.5	37.5	6.6	−13.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Allied Breweries thwarts attempt to break 500 and 30-share index closes 2.7 down at 497.2

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 24	Aug. 3	Aug. 4	Aug. 15
Aug. 7	Aug. 17	Aug. 18	Aug. 30
Aug. 21	Aug. 31	Sep. 1	Sep. 12

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Frustrated by the recent unsuccessful attempts to pierce the psychological 500-barrier — an immediate fall in **Allied Breweries** shares following its surprise agreed share exchange offer for **J. Lyons** prevented the best chance yet — equity markets eventually eased on small end-account sales and lack of fresh buying interest.

Given a retention of Allied Breweries' overnight level instead of an early fall, the F.T. Industrial Ordinary share index would have moved through 500. In the event, the first calculation was lower at 499.0 and subsequent counts of this measure of the market trend were generally easier, although the final result was fractionally above the lowest at 497.2 with Allied accounting for about half of the net loss of 2.7.

Disappointed by the teasing performance of the index over the last three days, which has seen both the broader-based FT-Actuaries All-Share and Industrial group indices reach their highest since compilation, buyers decided to defer commitments until the new Account on Monday. Nevertheless, situation and speculative counters claimed a fair amount of attention which enabled rises to retain their advantage over falls in all FT-quoted industrials by 6-to-4.

The lion's share of the day's trade went to Allied Breweries which tumbled to 83p, reflecting holders' dissatisfaction with the proposed bid, before ending a net 8 lower at 84½p; at this level, the offer values J. Lyons at 155p. The latter rose sharply to 145p prior to closing 40 up on balance at 137p.

Encouraged by the slightly lower interest rate on this week's Treasury bill offering, short-dated British Funds managed further modest improvements during the course of a day's business which saw the Government broker withdraw his selling price of 95½ for supplies of the near-short tap Exchequer 10 per cent 1983; he was not bid a higher price but would probably be a seller at 95¾. Medium and longer maturities also hardened initially, but later returned to overnight levels.

Early demand to obtain investment currency for the purpose of buying U.S. securities took the premium higher to 108 per cent. In the face of renewed arbitrage offerings, however, demand began to fade and the rate reacted to close a net 2½ points lower at 104¼ per cent. Yesterday's SE conversion factor was 0.6578 (0.6528).

Yesterday saw a further contraction of business in Traded Options. A modest 350 contracts were completed by the close, the lowest total since July 7. **Land Securities** recorded about a third of the total and its October 180 and 200 series both rose 3, to 62p and 23p, respectively. **GEC** followed with 108 trades done.

HK and Shanghai up

Helped by publicity given to a broker's circular, **Hong Kong and Shanghai** rose to a 1978 peak of 356p before closing 8 higher on balance at 350p. Elsewhere in a quiet banking sector, the major clearers continued to drift lower on lack of support. **NatWest** receded 5 to 265p and **Midland** gave up 3 to 350p. Discounts, however, closed higher in places. **Cater Ryder** added 10 at 275p and **Alexanders** improved 5 to 255p. **Sterling Credit** at 32p lost 4 of the recent good rise on the higher profits and proposed 50 per cent scrip-issue; the shares retain a gain of 5 on the week.

Insurances ended the week on a quietly firm note. **Willis Faber**, 280p, and **Stenhouse**, 109p, improved 6 and 3 respectively.

Leading Building issues held close to overnight levels in a reasonable trade. Secondary issues provided contrasting movements, usually on news items. The sharply lower-than-expected annual profits left **Phoenix Timber** 7 cheaper at 163p, while Press comment unsettled recently firm **Brown and Jackson** which shed 11 to 185p, but still held a gain on the week of 32. Property-owning building concerns made notable progress, also on a Press recommendation. **Gough Cooper**, 83p, and **William Whittingham**, 37p, put on 4 and 3 respectively. Elsewhere, renewed enthusiasm for the annual results attracted buyers to **Heywood Williams** which firmed 10 to 137p, while small demand in thin markets left **Burt Boulton** 5 to the good at 175p and **Carron** 3 up at 57p.

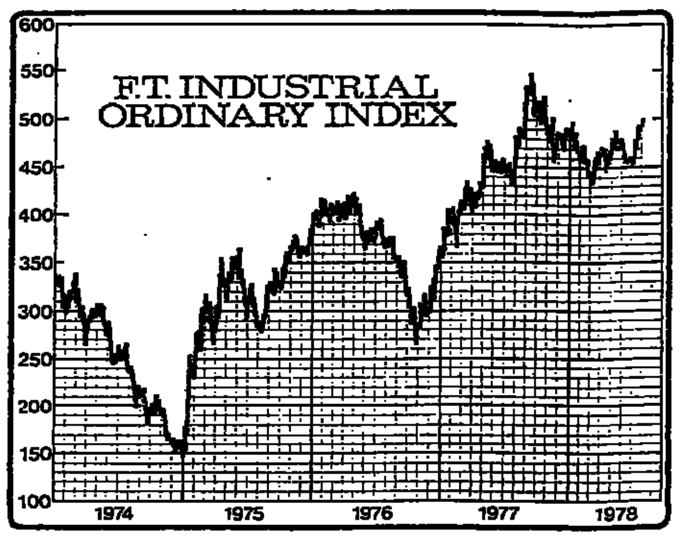
With stock increasingly available, small offerings left ICI and Fisons down 5 at 389p and 10 at 365p respectively. Increased interim profits prompted an improvement of 2½ to 38p in **Crystalate**, while an investment recommendation left **Yorkshire Chemical** 4 dearer at 98p and the new nil paid shares 4½ to the good at 10½p premium.

J. Lyons feature

J. Lyons claimed the limelight in Foods, jumping to 145p in active trading on the share-exchange offer from Allied Breweries before settling at 137p for a net gain of 40, or a discount of around 18 on Allied's offer terms. **Allied**, a firm market of late on the £48.4m disposal of its Trust Houses Forte shareholding, succumbed to heavy selling and closed 8 off at 84½p after 83p. **Belhaven Brewery**, in which J. Lyons holds a 25.1 per cent shareholding, moved up 3 to 35p in sympathy. **Geo. Bassett** gained 7 to 139 as bid hopes revived, but small selling clipped 2 from **Associated Fisheries** at 45p and 4 from **Bluebird Confectionery** at 75p.

City, at 133p, gave up 5 of the previous day's gain of 12 in an otherwise little-changed Hotels.

United Scientific revived with a jump of 17 to 335p in a thin market. Elsewhere in Electricals, **Best and May**, at 60p, regained 3 of the previous day's fall of 5 which followed the results. **Sony** reflected currency influences with a rise of 40 to 660p, while investment demand raised **Racal Electronics** 7 to 279p and **Decca A** 10 to 450p. Gains of 4 were seen in **Bowthorpe**, 63p, and **Pressac**, 100p, while **Dubilier** edged forward 1½ to 21½p. Among the leaders, GEC closed 4 better at 286p.



Apart from **John Brown**, which improved 4 more to a 1978 peak of 434p, Engineering leaders met light end-account profit-taking and closed easier. **Hawker** dipped 8 to 230p and **GKN** relinquished 2 to 285p, after 283p. Secondary issues continued to claim a fair amount of attention with fresh rises of 6 and 7 respectively in **Simon**, 260p, and **Victor Products**, 173p. **Davy International** added 4 at 280p as did **Howard Machinery**, to 29p, while **Davies and Metcalfe** A gained 3 to 28p. **ML** were marked up 5 late to 160p in response to the higher annual earnings and **Glywed** edged forward 2 to 107p ahead of next Wednesday's interim figures. Further consideration of the reduced first-half profits prompted a reaction of 2½ to 26p in **Tace**.

The last day of the Account in Stores was mainly notable for a flurry of buying in **UDS** which moved steadily forward to close the day 5 to the good at 102p. Speculative buying on peristing bid hopes helped **Burton** ordinary improve 4 more to 160p and the A gain a similar amount to 148p, after 149p. **Marks and Spencer**, however, softened a penny to 165p. Still awaiting news of the bid talks, **Bourne and Hollingsworth** edged forward 3 to 208p, while further buying on bid hopes lifted **Grant Bros.** 9 to 107p. Dull recently following the disclosure of heavy losses in its French operations, **Audiotronic** gave up 2 more to a 1978 low of 15p in reaction to the reduced dividend payment and annual loss. **K** added 3 to 75p among Shoes.

Aaronson better

Miscellaneous Industrial leaders succumbed to light end-account profit-taking. Firm lately on buying ahead of the shares going ex the 100 per cent scrip issue, **Pilkington** reacted 13 to 577p, while **Unilever** relinquished 4 to 534p and **Glaxo** 3 to 595p. **Rank**, however, helped by Wall Street influences, improved 3 to 259p. Elsewhere, buying ahead of next Thursday's first-half figures brought about a rise of 6 to 81p in **Aaronson Bros.** and revived demand in a thin market helped **S. Simpson A** secure a similar improvement at 108p. Up 6 the previous day on news of the bid approach from Vantona, **Compton Sons and Webb** added 3 more to 47p awaiting fresh news of the discussions. **Mams** improved 3 more to 92p after further speculative buying fuelled by bid hopes to take the gain on the week to 15. **Whitecroft** firmed 3 to 206p with the help of Press comment and **Watshams** advanced 4 to 256p in response to the results. **Kelsey Industries** became popular and put on 5 to 103p while, still reflecting an investment recommendation, **Negretti and Zambra** added 4 more to 91p. **Hoover A**, however, lost 15 to 275p in reaction to adverse comment on the disappointing second-quarter profits and **I.C. Gas** receded 12 more to 368p on further consideration of the chairman's profits warning.

Motor Distributors again performed well, closing with another lengthy list of gains following a good business generated by reports of a high level of new car sales. **Heron Motor** stood out at 147p, up 12, on buying in anticipation of next Thursday's preliminary figures. **Arlington**, still reflecting trading news, hardened 3 to 138p, while gains of 2 were seen in **Lex Service**, 90p, **Dutton-Forshaw**, 51½p, and **Henlys** 126p. **Adams and Gibbon**, however, fell 7 to 77p on disappointment with interim figures. Elsewhere, **Jonas Woodhead** edged forward 2 to 94p following Press comment.

Consideration of the effects of higher North Sea oil taxes left **Thomson** 8 cheaper at 267p after 265p while, initially a couple of pence higher on the settlement of the Sun newspaper dispute, **News International** reacted and closed unchanged on balance at 272p. Awaiting the imminent capital reorganisation plans, **W. N. Sharpe** eased 2 to 210p for a rise of 20 on the week.

Properties retained a firm undertone. Smaller-priced leading issues to make further progress included **English Property**, 38½p, and **British Land**, 40½p, both of which firmed a penny. News that **Intereuropean** had reduced the size of its borrowings from £23m to £12m prompted a penny improvement to 35p, after 36p, but news of a revaluation of property investment assets left **Scottish Metropolitan** 4 cheaper at 110p. Domestic market influences lifted **Hong Kong Land** 5½ to 186p and **Swire Properties** 2 to 65p.

Oils dull

Oils ended the account on a dull note on small offerings stemming from the Government's decision to increase the rate of Petroleum Revenue Tax from 45 per cent to 60 per cent. Stock was readily absorbed at lower levels, however. **British Petroleum**, 834p, and **Shell** 553p, closed at the day's lowest with falls of 8 and 12 respectively, while **Oil Exploration**, 206p, shed 6. **Tricentrol** closed 6 cheaper on balance at 170p after 166p, and **Siebens U.K.** ended unchanged on the day at 390p after 388p, the latter still with a fall of 22 on the week.

Following the recent brisk trading, activity in Investment Trusts became quieter and interest more selective. **Jersey External Preferred** were raised 9 to 183p, while **Technology**, 108p, and **Jardine Securities**, 147p, put on 5 apiece. **Carliol Investment** rose 4 to 134p for a two-day gain of 9. In Financials, **Haw Par** rose 3 to 61p in belated response to the announcement that the company has sold the majority of its 16.5 per cent interest in a Hong Kong property development concern.

A small scrappy business left Shipping prices little changed. **Furness Withy** were notably weak at 248p, down 5, but small buying in restricted markets left **Common Bros.** 3 harder at 116p, and **Hunting Gibson** 6 better at 114p.

Textiles were easier for choice. **David Dixon** were on offer at 76p down 4 while **Courtaulds**, 122p, and **Dawson International**, 142p, shed 2 apiece. Tobaccos held quietly firm.

Selected Plantations made modest headway helped by currency influences. **Kuala Lumpur Kepong** were supported at 81p, up 4, while **Malakoff** and **Highlands** put on 2 apiece at 78p and 131p respectively.

Australians firmer

Trading actively, Australians were the main feature of the mining markets. Following a late rally in Sydney overnight, prices gained ground in response to UK buying.

Among Uraniums, **Pancontinental** moved ¼ higher to £13¼ while **Peko-Wallsend** gained 10 to 538p. **Conzinc Riotinto** continued to draw strength from its leadership of the Ashton diamond venture with a rise of 12 to 266p, while one of its smaller partners, **Northern Mining**, hardened 6 to 114p. **Haoma Gold** and **North West Mining**, involved in another diamond exploration venture, were respectively 3 higher at 53p and 7 higher at 44p.

By contrast, South African Golds were dull. There was little business and falls were common through the list following a downturn in New York overnight. The decline in sterling prices was accentuated by the fall in the investment dollar premium. The Gold Mines Index was 2.7 lower at 185.1, but still 1.7 up on the week.

The market lacked the *stimulus* of sharp movements in the bullion price, which eventually closed $1.25 lower at $201.375, leaving it little changed on the week. Among the *heavily-priced issues*, **FS Geduld** closed ¾ lower at £18¾, and **West Dries.** ½ down at £24. **President Steyn** lost 33 to 884p and **Western Deep** 23 to 923p.

There was some demand for Platinums in the light of the high metal price. In a good trade, **Bishopsgate** were 1 harder at 96p, **Rustenburg** also gained 1 to 97p and **Lydenburg** rose 3 to 73p.

South African Financials tended to drift, with prices helped down by the lower premium. **Anglo American** lost 6 to 623p, **UC Investments** gave up some of their gains of early in the week with a fall of 4 to 260p and **De Beers** also softened 4, to 396p.

Business was flat among London Financials, influenced by the lower gold price, the fall among industrial equities and the end of the account. There were falls of up to 4, leaving **Rio Tinto-Zinc** at 230p, **Consolidated Gold Fields** at 192p, **Selection Trust** at 436p and **Charter** at 146p.

Coppers were steady with **Palabora** rising 20 to 480p on Cape buying, while there was modest demand from the Far East for Tins.

FINANCIAL TIMES STOCK INDICES

—	Aug 4	Aug. 3	Aug. 2	Aug. 1	July 31	July 28	A year ago
Government Secs	70.96	70.97	70.84	70.78	70.61	70.74	60.74
Fixed Interest	72.73	72.65	72.53	72.43	72.38	72.35	60.56
Industrial Ordinary	497.2	499.9	495.3	495.5	489.4	492.1	470.8
Gold Mines	185.1	187.8	187.6	191.5	183.3	183.4	121.2
Ord. Div. Yield	5.37	5.34	5.38	5.38	5.45	5.41	5.18
Earnings, Y'ld%(full)(*)	16.29	16.21	16.34	16.32	16.52	16.42	15.47
P/E Ratio (net)(*†)	8.20	8.24	8.18	8.18	8.08	8.13	8.38
Dealings marked	5,673	5,746	4,754	4,374	5,046	5,517	5,124
Equity turnover £m	—	106.04	203.85	95.46	65.11	101.71	95.04
Equity bargains total	—	19,805	18,444	16,669	17,782	19,416	17,778

10 am 499.0. 11 am 497.5. Noon 497.4. 1 pm 497.5.
2 pm 497.2. 3 pm 496.8.
Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil=8.61.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	68.79 (5/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	499.9 (3/8)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	191.5 (1/8)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 4	Aug. 3
—Daily		
Gilt-Edged	150.5	208.0
Industries	210.6	198.0
Speculative	45.7	48.1
Totals	129.1	130.8
5-day Average		
Gilt-Edged	155.9	159.8
Industrials	182.1	178.1
Speculative	47.8	45.9
Totals	116.5	115.8

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	21	2	55	225	32	13
Corpns. Dom. and Foreign Bonds	11	—	53	50	5	265
Industrials	407	260	871	2,185	1,087	4,500
Financial and Property	164	66	283	1,098	289	1,350
Oils	9	13	12	47	47	[illegible]
Plantations	11	3	17	34	17	[illegible]
Mines	42	49	37	285	204	[illegible]
Recent Issues	9	5	28	60	18	135
Totals	674	398	1,356	3,822	1,610	[illegible]

LONDON TRADED OPTIONS

Option	Ex'rcise price	October Closing offer	October Vol.	January Closing offer	January Vol.	April Closing offer	April Vol.	Equity close
BP	750	107	—	129	—	—	—	833p
BP	800	61	—	90	—	115	—	"
BP	850	36	2	61	—	85	—	"
BP	900	19	10	40	—	62	—	"
Com. Union	140	24½	—	25	—	28½	—	158p
Com. Union	160	8	16	14½	—	18	—	"
Cons Gold	160	38	—	41	4	43	3	191p
Cons.Gold	180	20	—	24	6	29	—	"
Cons.Gold	200	7½	15	14½	4	19	2	"
Courtaulds	100	25	—	26½	—	—	—	122p
Courtaulds	110	16½	—	18½	2	22	—	"
Courtaulds	120	9½	—	12½	1	16½	—	"
Courtaulds	130	4½	—	8	—	11½	—	"
GEC	220	66	9	72	—	—	—	285p
GEC	240	48	—	55	—	62	—	"
GEC	260	30	23	39	—	48	—	"
GEC	280	16½	69	26	3	35	4	"
Grand Met.	100	19½	—	25	—	26	—	117p
Grand Met.	110	11	—	15½	—	18½	—	"
Grand Met.	120	5	2	9½	—	13	—	"
ICI	330	69	—	70	1	73	—	389p
ICI	360	29	22	45	10	51	—	"
ICI	390	17	—	28	—	33	—	"
ICI	420	6	11	14½	—	21½	4	"
Land Secs.	180	62	10	65	1	67	—	237p
Land Secs.	200	45	32	46	1	50	20	"
Land Secs.	220	25½	23	29	7	35	—	"
Land Secs.	240	8	18	17	2	21½	—	"
Marks & Sp.	120	49	—	50	—	54	—	165p
Marks & Sp.	140	30	—	32	—	37	—	"
Marks & Sp.	160	13	—	17½	—	23	—	"
Marks & Sp.	180	5	—	8½	—	12½	—	"
Shell	500	74	—	83	—	87	—	553p
Shell	550	32	12	47	—	55	—	"
Shell	600	11	—	25	1	31	—	"
Totals			274		43		33	

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Shell Transport	25p	14	553	−12	586	484
ICI	£1	13	389	−5	396	328
BP	£1	11	834	−8	896	720
Lyons (J.)	£1	10	137	+40	145	72
Allied Breweries	25p	9	84½	−8	94	78
GEC	25p	9	286	+4	286	233
RTZ	25p	9	230	−2	234	164
Grand Met.	50p	8	117	−½	118	87
Guthrie Corp.	£1	8	373	−2	375	211
Beecham	25p	7	700	−3	705	583
Distillers	50p	7	199	−1	200	163
K Shoes	25p	7	75	+3	75	47
GKN	£1	6	285	−2	287	248
Marks & Spencer	25p	6	165	−1	167	135
Rank Org.	25p	6	259	+3	268	226

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
ICI	£1	71	389	−2	396	328
Shell Transport	25p	66	553	−9	586	484
BP	£1	62	834	−22	896	720
Inchcape	£1	45	373	+3	445	350
Allied Breweries	25p	42	84½	−3	94	78
BATs Defd.	25p	42	287	+3	296	227
Barclays Bank	£1	42	340	−2	358	296
Reed Intl.	£1	41	132	+5	133	102
Beecham	25p	40	700	+13	705	583
RTZ	25p	40	230	+3	234	164
Distillers	50p	39	199	+2	200	163
GEC	25p	39	286	+7	286	233
Burmah Oil	£1	38	67	−1	73	42
GKN	£1	37	285	+5	287	248
Thomson Org.	25p	37	267	−15	295	155

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	10 %
Allied Irish Banks Ltd.	10 %
American Express Bk.	10 %
Amro Bank	10 %
A P Bank Ltd.	10 %
Henry Ansbacher	10 %
Banco de Bilbao	10 %
Bank of Credit & Cmce.	10 %
Bank of Cyprus	10 %
Bank of N.S.W.	10 %
Banque Belge Ltd.	10 %
Banque du Rhone	10½%
Barclays Bank	10 %
Barnett Christie Ltd.	11 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10 %
Canada Perm't. Trust	10 %
Capitol C & C Fin. Ltd.	10 %
Cayzer Ltd.	10 %
Cedar Holdings	10½%
■ Charterhouse Japhet	10 %
Choulartons	10 %
C. E. Coates	11 %
Consolidated Credits	10 %
Co-operative Bank	*10 %
Corinthian Securities	10 %
Credit Lyonnais	10 %
The Cyprus Popular Bk	10 %
Duncan Lawrie	10 %
Eagil Trust	10 %
English Transcont.	11 %
First Nat. Fin. Corpn.	12 %
First Nat. Secs. Ltd.	12 %
■ Antony Gibbs	10 %
Greyhound Guaranty	10 %
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
Hambros Bank	10 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Julian S. Hodge	11 %
Hongkong & Shanghai	10 %
Industrial Bk. of Scot.	10 %
Keyser Ullmann	10 %
Knowsley & Co. Ltd.	12 %
Lloyds Bank	10 %
London Mercantile	10 %
Edward Manson & Co.	11½%
Midland Bank	10 %
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Norwich General Trust	10 %
P. S. Refson & Co.	10 %
Rossminster	10 %
Royal Bk. Canada Trust	10 %
Schlesinger Limited	10 %
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11 %
Standard Chartered	10 %
Trade Dev. Bank	10 %
Trustee Savings Bank	10 %
Twentieth Century Bk.	11 %
United Bank of Kuwait	10 %
Whiteaway Laidlaw	10½%
Williams & Glyn's	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼%, and over £25,000 8%.
‡ Call deposits over £1,000 7%.
§ Demand deposits 7½%.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs nad Lows for 1978.

NEW HIGHS (240)

COM'WEALTH & AFRICAN LOANS (1)
LOANS (1)
AMERICANS (7)
CANADIANS (5)
BANKS (5)
BEERS (1)
BUILDINGS (12)
CHEMICALS (4)
DRAPERY & STORES (13)
ELECTRICALS (12)
ENGINEERING (22)
FOODS (3)
INDUSTRIALS (38)
INSURANCE (4)
MOTORS (4)
PAPER & PRINTING (2)
PROPERTY (6)
SHOES (2)
TEXTILES (5)
TRUSTS (82)
RUBBERS (2)
TEAS (1)
MINES (8)

NEW LOWS (7)

BRITISH FUNDS (1)
Treas. 5½pc '08-12
STORES (1)
Audiotronic
INDUSTRIALS (2)
Hoover A
Wilson Walton
PAPER (1)
Transparent Paper
TEXTILES (1)
Ingram (H.)
TRUSTS (1)
Dolosweila

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 7	Aug. 14	Oct. 26	Nov. 7
Aug. 15	Aug. 29	Nov. 9	Nov. 21
Aug. 30	Sep. 11	Nov. 23	Dec. 5

For rate indications see end of Share Information Service

Stocks favoured for the call were Mills and Allen, Premier Consolidated Oil, English Property, Charterhall, Burmah Oil, Thomson Organisation, Pacific Copper, ICI, BP, Lex Service, Queen's Moat Houses, French Kier, UDT and John Laing A, while doubles were arranged in British Land, Britannia Arrow and English Property.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p:	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	30/8	93	86	Bramall (C.D.)	93	+2	†4.5	3.1	7.3	5.0
55	F.P.	31/8	75	71	Carters Superfoods	75	......	b2.41	5.1	4.9	6.7
**	F.P.	—	12½	4	Emray	10	......	—	—	—	—
100	F.P.	5/7	176	142	[illegible]	174	−2	†2.64	5.0	2.3	16.6
85	F.P.	24/8	91	85	Hunting Petr. Services	88	......	4.65	3.0	8.0	6.2
115	F.P.	8/9	146	138	Jones (E.) (Jew'lrs)10p	144	......	†5.5	2.1	5.7	12.5

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
**	F.P.	1/9	96½p	94p	Airflow Streamlines 10% Prf.	95p	+1
**	F.P.	18/8	94½p	91p	Assoc. Retailers 9% Pref.	94p	......
£98	£50	22/9	52¼	46	Barnet 12% Red. 1987	52¼	......
£99.4	F.P.	—	99¼	99	Birmingham Var Rate 83-85	99¼	......
£99¾	F.P.	—	100	99¾	Camden Var. Rate Red. 1985	100	......
£100	£10	15/12	11⅛	10½	Do. 12¼% Red. 1985	11⅛	+⅛
*	F.P.	7/9	98⅜	98	East Anglia Water 7% Red. Pref. 1985	98	−¼
100	F.P.	16/8	104p	101p	Ecclesiast'al In. Office 10% Red 2nd Cum Pref.	104p	......
£100	F.P.	—	101⅛	99⅝	Edinburgh Var. Rate 1985	99⅝	......
[illegible]	F.P.	25/8	105¼	95½	Fairview Ests. 13.25% Deb.	99	......
**	F.P.	18/8	105p	103p	Henderson Kenton 10% Cum. Pref.	104½	......
£96	F.P.	15/12	98p	97p	Jenners Princes 10% Cum. Pref.	98p	......
**	F.P.	—	91p	[illegible]	Marchwiel 8% Pref.	91½p	......
**	F.P.	—	[illegible]	85	Mosleys 12% Partly Conv. Uns. Ln.	85	......
**	F.P.	9/8	[illegible]	[illegible]	More O'Ferrall 10% 2nd Cum. Pref.	95p	......
£100	F.P.	—	99⅝	99⅝	Northampton Var. Rate Red. 1985	99⅝	......
**	F.P.	1/9	101p	97p	Petbow 10% Pref.	101p	+1
£99½	F.P.	—	100	99¼	Sefton Var. Rate Red. 1985	99½	......
£98¼	£45	20/10	44¾	45	Southend-on-Sea 12% Red. 1987	44¾	......
£99¾	F.P.	—	99⅞	99⅝	Wandsworth Variable 1985	99⅞	......
£98¾	£25	15/9	25¼	24	West Kent Water 12% Deb. 1987	24¾	......
**	F.P.	—	96p	94p	Young & Co. Brewery 9% Pref.	96p	......

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978 High	1978 Low	Stock	Closing Price p:	+ or −
$A2.75	Nil	16/8	15/9	54pm	29pm	ANZ	33pm	+1
5	F.P.	28/7	18/8	9½	8½	Bridgend Processes	8½	......
28	F.P.	18/7	18/8	36	31½	Brooke Tool Eng.	36	......
15	F.P.	26/7	18/8	21	17½	Dartmouth Invs.	19½	−1½
14½	F.P.	26/7	16/8	16½	16½	Elswick-Hopper	16½	......
36	F.P.	2/8	1/9	57	46	Headlam Sims & Coggins	57	+2
108	F.P.	14/7	4/8	[illegible]	[illegible]	Henlys	123	......
72	F.P.	4/8	1/9	92	86	L.C.P.	92	......
70	Nil	10/8	21/9	15pm	8pm	Leech (Wm.)	17pm	−1
55	F.P.	3/8	1/9	48½	45	Norton (W. E.)	45	−1
94	Nil	—	—	13pm	10pm	Property Partnerships	12pm	+2
30	F.P.	28/7	8/9	72	[illegible]	[illegible] Spinning	72	+2
110	Nil	14/8	8/9	35	24pm	[illegible]	35pm	......
100	Nil	—	—	19pm	15pm	Williams&Jas'n's [illegible]	19pm	......
64	Nil	—	—	15pm	6pm	Yorkshire Chemicals	10½	+4½

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ||| Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS and SUB-SECTIONS Figures in parentheses show number of stocks per section.	Fri., Aug. 4, 1978 Index No.	Day's Change %	Est. Earnings Yield% (Max.) Corp. Tax 52%	Gross Div. Yield% (ACT at 33%)	Est. P/E Ratio (Net) Corp. Tax 52%	Thurs. Aug. 3 Index No.	Wed., Aug. 2 Index No.	Tues. Aug. 1 Index No.	Mon. July 31 Index No.	Year ago (approx.) Index No.	1978 High	1978 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (170)	231.53	+0.1	16.40	5.31	8.44	231.34	229.20	228.10	225.80	191.52	231.53 (4/8)	188.95 (2/3)	231.53 (4/8/78)	50.71 (13/12/74)
2	Building Materials (27)	211.94	−0.2	16.33	5.25	8.68	212.29	210.47	209.16	207.33	162.78	212.29 (3/8)	166.30 (3/3)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (27)	369.64	−0.4	18.91	4.02	7.69	371.15	363.05	358.67	355.26	28.42	371.15 (3/8)	289.35 (6/3)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (14)	494.91	+1.2	13.85	3.74	10.23	488.88	482.89	483.07	478.48	392.67	494.91 (4/8)	404.47 (2/3)	494.91 (4/8/78)	84.71 (25/6/62)
5	Engineering Contractors (14)	343.87	+0.6	17.45	6.02	7.63	341.66	339.21	336.51	331.95	284.82	343.87 (4/8)	270.95 (6/3)	343.87 (4/8/78)	64.39 (2/1/75)
6	Mechanical Engineering (72)	184.99	−0.5	17.72	5.82	7.56	186.01	185.24	183.96	182.04	166.80	186.01 (3/8)	149.87 (2/3)	187.45 (14/9/77)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	173.56	−0.3	16.23	8.13	8.39	174.11	172.96	172.74	170.78	154.22	174.11 (3/8)	154.22 (27/2)	177.41 (27/4/72)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (52)	211.88	+0.5	16.30	4.95	8.55	210.81	208.81	208.10	207.14	179.92	211.88 (4/8)	173.63 (3/3)	227.78 (21/4/72)	38.39 (6/1/75)
12	Lt. Electronics, Radio TV (15)	255.71	+0.9	14.55	3.99	9.61	253.46	250.76	249.02	247.88	212.70	255.71 (4/8)	209.01 (3/3)	261.72 (21/10/77)	42.85 (13/12/74)
13	Household Goods (12)	183.33	−1.3	16.17	6.18	8.51	185.80	185.87	184.71	184.11	160.96	185.87 (2/8)	160.54 (6/3)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (25)	130.11	+0.3	19.12	6.19	7.29	129.69	128.39	128.77	128.13	113.26	130.11 (4/8)	104.68 (2/3)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON-DURABLE) (175)	214.96	−0.2	15.15	5.59	8.91	215.33	213.82	213.96	212.15	179.40	215.33 (3/8)	179.46 (2/3)	226.08 (16/8/72)	61.41 (13/12/74)
22	Breweries (14)	234.61	−2.4	14.80	5.80	9.30	240.41	240.34	236.18	232.54	187.91	241.57 (8/5)	204.04 (27/2)	281.87 (28/11/72)	69.47 (13/12/74)
23	Wines and Spirits (6)	280.98	−0.4	15.23	5.15	9.96	282.16	278.43	277.71	275.37	213.65	282.16 (3/8)	229.85 (2/3)	282.16 (3/8/78)	78.88 (13/12/74)
24	Entertainment, Catering (17)	265.03	+0.2	14.84	6.55	9.86	264.47	263.34	264.10	262.80	221.77	269.17 (6/1)	219.62 (2/3)	329.99 (12/12/72)	54.83 (9/1/75)
25	Food Manufacturing (21)	205.82	+0.4	18.36	5.38	7.20	205.09	203.83	202.11	200.90	181.01	205.82 (4/8)	175.37 (27/2)	214.63 (21/10/77)	59.67 (11/12/74)
26	Food Retailing (15)	225.81	+0.4	13.46	4.57	10.31	225.02	224.79	222.28	220.98	189.60	225.81 (4/8)	176.53 (3/3)	244.41 (27/10/77)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	397.42	−1.8	10.14	3.15	14.08	404.65	396.37	410.72	407.28	312.67	417.65 (26/7)	269.59 (2/3)	417.65 (26/7/78)	55.08 (6/1/75)
33	Packaging and Paper (15)	144.55	+0.1	18.00	7.34	7.30	144.44	141.01	141.28	139.21	123.09	144.55 (4/8)	119.11 (15/2)	144.55 (4/8/78)	43.46 (6/1/75)
34	Stores (40)	201.81	+0.1	10.67	4.47	13.79	201.62	199.88	201.07	199.79	164.14	201.81 (4/8)	165.17 (2/3)	204.39 (16/8/72)	52.63 (6/1/75)
35	Textiles (25)	180.09	−0.7	18.39	7.69	7.06	181.32	180.74	181.72	179.15	161.01	191.90 (12/5)	160.85 (2/3)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	255.06	+0.7	21.51	7.34	5.48	253.17	252.67	255.15	253.11	222.38	261.18 (18/5)	214.88 (15/2)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (6)	114.12	+0.1	19.89	5.59	6.00	114.00	112.30	112.68	110.60	104.71	114.12 (4/8)	93.79 (27/2)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (98)	209.22	−0.3	15.38	5.54	8.51	209.78	208.56	207.84	206.20	187.44	209.78 (3/8)	173.08 (3/3)	213.70 (14/9/77)	58.63 (6/1/75)
42	Chemicals (19)	293.13	−1.0	16.85	5.97	8.06	296.17	293.98	294.16	292.16	260.83	296.17 (3/8)	238.69 (2/3)	296.17 (3/8/78)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	273.00	−0.3	10.59	3.75	11.75	273.84	272.19	270.99	268.34	0.00	273.84 (3/8)	228.41 (3/3)	273.84 (3/8/78)	228.41 (3/3/78)
44	Office Equipment (6)	136.32	+0.8	17.57	5.57	6.73	135.25	135.01	134.33	133.71	112.25	139.21 (25/5)	117.48 (3/3)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	427.58	−0.2	17.15	7.26	7.19	422.55	422.55	420.76	419.61	497.71	483.01 (6/1)	396.09 (6/7)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (56)	225.19	+0.4	16.08	5.89	8.27	224.37	223.05	221.52	219.44	186.84	225.19 (4/8)	178.47 (3/3)	258.83 (2/5/72)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (495)	224.68	−0.1	15.59	5.46	8.67	224.88	223.20	222.76	220.88	190.99	224.88 (3/8)	186.02 (2/3)	224.88 (3/8/78)	59.01 (13/12/74)
51	Oils (5)	480.67	−1.5	15.35	4.11	7.06	488.22	485.69	493.75	488.37	512.91	504.88 (12/7)	417.98 (2/3)	543.20 (15/9/77)	87.23 (29/5/62)
59	500 SHARE INDEX	246.36	−0.3	15.56	5.27	8.40	247.10	245.34	245.50	243.34	217.04	247.10 (3/8)	205.42 (2/3)	248.32 (14/9/77)	63.49 (13/12/74)
61	FINANCIAL GROUP (100)	173.02	—	—	5.55	—	173.01	172.00	171.10	168.15	143.20	178.96 (6/1)	153.85 (27/2)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	186.10	−1.0	25.12	6.29	5.97	188.01	188.01	187.80	186.35	158.01	204.36 (23/1)	171.58 (27/2)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	217.29	+1.2	—	7.96	—	214.80	210.88	210.64	209.93	185.40	228.33 (4/1)	185.20 (13/4)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	157.71	−0.5	12.52	5.23	11.81	158.54	158.54	155.86	155.86	140.23	170.55 (12/1)	136.52 (17/4)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	149.56	+1.2	—	6.09	—	147.76	146.11	145.61	142.37	108.65	151.39 (6/1)	124.97 (17/4)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (7)	136.00	+0.1	—	6.27	—	135.80	134.58	133.86	129.60	118.01	143.46 (6/1)	118.23 (7/7)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	366.17	+0.6	12.86	4.29	11.14	363.81	359.76	355.36	352.65	317.02	366.17 (4/8)	301.20 (6/2)	371.53 (15/9/77)	65.86 (16/12/74)
68	Merchant Banks (14)	81.81	—	—	5.98	—	81.77	81.53	80.33	80.43	68.65	85.22 (6/1)	71.00 (27/2)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (31)	256.42	+0.3	2.78	2.92	70.70	255.73	254.28	252.58	246.79	197.86	256.42 (4/8)	210.03 (14/4)	357.40 (9/11/73)	56.01 (20/4/65)
70	Miscellaneous (7)	109.31	−0.2	23.12	7.64	5.60	109.47	109.30	109.09	108.93	98.98	110.87 (9/1)	99.61 (27/2)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (50)	237.28	+0.1	2.93	4.33	34.16	236.96	234.04	230.28	227.47	175.50	237.28 (4/8)	176.48 (6/3)	245.79 (25/4/72)	71.63 (13/12/74)
81	Mining Finance (4)	104.90	−1.3	16.82	6.63	7.24	106.25	105.47	106.84	104.87	95.46	106.84 (1/8)	85.39 (6/3)	175.90 (28/4/69)	66.31 (30/9/74)
91	Overseas Traders (19)	318.60	−0.1	17.11	7.03	7.27	318.99	318.46	320.69	317.93	278.30	326.72 (25/7)	262.26 (2/3)	326.72 (25/7/78)	97.37 (6/1/75)
99	ALL-SHARE INDEX (673)	227.79	−0.2	—	5.33	—	228.34	226.72	226.55	224.17	197.13	228.34 (3/8)	191.15 (2/3)	228.34 (3/8/78)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri. Aug. 4	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	105.80	+0.14	—	5.55
2	5-15 years	115.23	+0.01	—	7.04
3	Over 15 years	121.50	+0.01	0.17	8.38
4	Irredeemables	128.13	—	—	7.24
5	All stocks	113.69	+0.06	0.06	6.89

FIXED INTEREST YIELDS
Br. Govt. Av. Gross Red.

			Fri. Aug. 4	Thurs. Aug. 3	Year ago (approx.)	1978 Highs	1978 Lows
1	Low Coupons	5 years	8.63	8.61	7.27	9.05 (6/6)	7.05 (3/1)
2		15 years	10.83	10.82	11.15	11.32 (5/6)	9.12 (3/1)
3		25 years	11.55	11.54	11.92	11.96 (5/6)	9.74 (3/1)
4	Medium Coupons	5 years	11.20	11.20	10.08	11.91 (4/7)	9.30 (3/1)
5		15 years	12.03	12.01	12.00	12.53 (5/6)	10.18 (3/1)
6		25 years	12.09	12.09	12.48	12.65 (6/6)	10.34 (3/1)
7	High Coupons	5 years	11.30	11.32	10.35	11.96 (5/7)	9.67 (3/1)
8		15 years	12.51	12.50	13.15	13.01 (5/6)	11.13 (3/1)
9		25 years	12.78	12.76	13.25	13.43 (5/6)	11.26 (3/1)
10	Irredeemables		11.55	11.54	11.88	12.15 (28/6)	9.88 (3/1)

		Fri. Aug. 4 Index No.	Fri. Aug. 4 Yield %	Thur. Aug. 3	Wed. Aug. 2	Tues. Aug. 1	Mon. July 31	Fri. July 28	Thur. July 27	Wed. July 26	Year ago approx.	1978 Highs	1978 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	57.54	†12.94	57.28	57.22	57.21	57.22	57.52	57.17	57.17	58.07	63.67 (23/1)	56.37 (4/7)	113.43 (25/10/60)	37.01 (6/1/76)
16	Investment Trust Prefs. (15)	51.61	†13.46	51.51	51.60	51.80	51.80	51.80	51.80	51.80	50.91	53.71 (11/1)	50.77 (20/7)	114.41 (13/8/65)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	70.00	13.04	70.04	70.23	70.16	70.12	70.08	70.08	70.01	68.68	78.80 (11/1)	69.50 (20/7)	114.96 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £40 per copy.

INSURANCE, PROPERTY BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Crusader Insurance Co. Ltd.

Vincula House Tower Pl., EC3. 01-626 8031

Gth Prop July 4	73 9	88 4	...	—

Eagle Star Insur/Midland Ass.

1 Threadneedle St., EC2. 01-588 1212

Eagle Mid Units	54 2	56 2	+0 1	6 01

Equity & Law Life Ass. Soc. Ltd.♥

Amersham Road, High Wycombe 0494 33377

Equity Fd	119 0	125.2	+0 2	—
Property Fd	107 1	112.7	...	—
Fixed Interest F	109 5	115.2	−0.3	—
Gtd Deposit Fd	99 5	104.7	..	—
Mixed Fd	112 9	118.8	−0.1	—

NEL Pensions Ltd.

Milton Court, Dorking, Surrey. 5911

Nelex Eq Cap	82.3	86 6	...	—
Nelex Eq Accum.	119.8	126.1	+1 0	—
Nelex Money Cap.	62 6	65 8	.....	—
Nelex Mon Acc.	66.7	70 2	.....	—
Nelex Gth Inc Cap.	50.0	52 6	.....	—
Nelex Gth Inc Acc.	51.3	54 0	.....	—
Nel Mxd. Fd. Cap.	48 0	50.5	.....	—
Nel Mxd. Fd. Acc.	48 8	51 3	...	—

Next Sub. day August 25.
For New Court Property see under Rothschild Asset Management

World Wide Growth Management♦

10a Boulevard Royal, Luxembourg.

Worldwide Gth Fd	$US16 23	+0.05	—

NOTES

Prices do not include $ premium, except where indicated ♦ and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 497-502

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† Property Growth	10¼%
† Vanbrugh Guaranteed	9.27%

† Address shown under Insurance and Property Bond Table.

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Financial

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
[illegible]	17	Antofagasta Rly	24	.....	—	—
[illegible]	[illegible]	[illegible]	40	.....		—
[illegible]	[illegible]	Chilean Mixed	98	.....		13 10
[illegible]	350	German Yng. 4½pc	411	.....	4½	
54	46	[illegible]	54	.....	3½	16 60
51	46	[illegible]	51	.....	6	15 88
[illegible]	40	Do 4pc Mixed Ass.	43	.....	4	14.65

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 51¾% (based on $US1.9268 per £) Conversion factor 0.6578 (0.6628)

CANADIANS

S.E. List Premium 51¾% (based on $2.1915 per £)

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
255	195	Gillett Bros. £1	235	+3	15.41	—	10.1	—
29	19	Goode D.Mry 5p	23	.....	0.13	—	0.8	—
133	96	Grindlays	129	.....	2.79	7.1	3.2	4.6
260	185	Guinness Peat	245	.....	†10.15	—	6.2	—
217	155	Hambros	162xd	.....	9.76	—	9.0	—
100	81	Hill Samuel	94	.....	4.97	—	7.9	—
600	325	Do Warrants	375	.....	—	—	—	—
356	203	Hong Shng. $2.50	350	+8	hQ59c	—	2.0	—
69	52	Jessel Toynbee	64	.....	h3.32	—	7.7	—
215	160	Joseph (Leo) £1	215	.....	8.74	—	6.1	—
52	37	Keyser Ullmann	49	−1	0.67	—	2.0	—

BANKS & HP—Continued

Hire Purchase, etc.

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MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
210	155	Falcon Rh 50c	165	.....	Q50c	1.3	25.9
24	15	Rhod'n Corp 16½p	16	.....	0.57	7.1	5.3
80	52	Roan Cons. K4	70	-3	—	—	—
175	122	Tanganyika 50p	170	.....	Q10.0	1.2	5.9
90	78	Do. Pref. 80p	87	.....	Q9½	16.3	8.3
41	32	Wankie Col. Rh 1	35	.....	[illegible]	1.4	18.3
16½	10	Zam. Cpr SBD0.24	13	.....	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
15	10	Acmex 25c	14		—	—	—
136	64	Bougainville $1	136	-3	Q8c	1.4	3.7
125	63	BH South 50c	118	-7	—	—	—
820	150	Central Pacific	600			—	—
266	148	Conzinc Riotinto 50c	266	-12	Q10c	2.2	2.3
72	45	G.M. Kalgoorlie $1	60	+1	—	—	—
60	19	Haoma Gold N.L.	53	-3	—	—	—
140	81	Hampton Areas 5p	134	+2	13.55	2.0	4.0
40	10	Metals Ex. 50c	29½		—	—	—
220	125	M.I.M. Hldgs. 50c	208	-8	Q9c	2.7	2.7
39	10	Mount Lyell 25c	29		—	—	—
6½	1½	Newmetal 10c	4½	-¼	—	—	—
143	79	North B. Hill 50c	127	+4	Q5c	1.5	3.9
16½	8½	Nth. Kalgurli	16		—	—	—
44	15	Nth. West Mining	44	+7	—	—	—
178	117	Oakbridge $A1	176	-4	†Q11c	1.9	3.9
70	30	Pacific Copper	70	-6	—	—	—
£15¼	750	Pancont 25c	£15¼	+¼	—	—	—
40	12	Paringa M&Ex 5p	27½	[illegible]	—	—	—
543	310	Peko-Wallsend 50c	538	-10	Q25c	4.0	1.7
300	50	Southern Pacific	235	-10	—	—	—
160	64	Westn. Mining 50c	147	+6	[illegible]	1.4	‡
70	35	Whim Creek 20c	45	.....	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	23		12.55	1.6	16.6
400	240	Ayer Hitam $M1	365	+5	[illegible]	0.9	‡
60	45	Beralt Tin	53	+1	3.81	4.4	11.5
300	200	Berjuntai $M1	280xd		Q110c	ϕ	[illegible]
145	111	Geevor	130		5.07	ϕ	[illegible]
10	8½	Gold & Base 12½p	9½		—	—	—
300	220	Gopeng Cons.	290		15.25	0.9	7.9
170	130	Hongkong	170		—	—	—
93	78	Idris 10p	88xd	+3	[illegible]	1.6	‡
12	9	Jantar 12½p	9		—	—	—
77	68	Kamunting $M0.50	76		[illegible]	0.7	[illegible]
510	450	Killinghall	490		Q125	ϕ	25.5
415	280	Malay Dredging $M1	405	+5	†Q95c	0.8	[illegible]
73	40	¶Pahang	70	+2	[illegible]	0.5	‡
62	50	Pengkalen 10p	58	....	6.60	1.3	17.0
235	165	Petaling $M1	230	..	†Q80c	1.6	8.0
61	49	Saint Piran	54	...	[illegible]	4.6	5.6
61	47	South Crofty 10p	51	...	4.19	2.0	12.3
220	140	South Kinta $M0.50	210	.....	[illegible]	1.3	8.0
330	230	Sthn. Malayan $M1	305	.....	[illegible]	1.1	[illegible]
226	134	Sungei Besi $M1	205	.....	Q65c	ϕ	6.8
78	55	Supreme Corp. $M1	78	.....	ZQ10c	—	2.8
100	85	Tanjong 15p	88xd	.....	6.60	0.8	11.2
100	74	Tongkah Hrbr. $M1	92	...	[illegible]	1.6	‡
233	148	Tronoh $M1	223	+1	ZQ88c	1.6	8.5

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
100	70	Messina R0.50	90	+1	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
61	35	Barymin	53	+3	—	—	—
17	9	Burma Mines 17½p	13	.....	—	—	—
300	215	Cons. Murch. 10c	230	-2	‡Q30c	2.6	‡
465	245	Northgate C$1	390	.....	—	—	—
234	164	R.T.Z.	230	-2	9.64	2.8	6.3
90	30	Sabina Inds C$1	55	+1	—	—	—
£12	750	Tara Exptn. $1	882	+7	—	—	—
47	43	Tehidy Minerals 10p	47	+2	1.35	ϕ	4.3
180	120	Yukon Cons. C$1	176	.....	Q7c	2.9	1.9

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ✦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ♦ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	24	.....
Ash Spinning	44	.....
Bertam	21	.....
Bdg'wtr. Est. 50p	310	.....
Clover Croft	26	.....
Craig & Rose £1	500	+20
Dyson (R. A.) A	38	.....
Ellis & McHdy	61	.....
Evered	16½	.....
Fife Forge	52	.....
Finlay Pkg. 5p	22	-1
Graig Ship £1	120	+5
Higsons Brew	77	.....
I.O.M. Stm. £1	355	.....
Holt (Jos.) 25p	263	.....
Nthn. Goldsmith	64	+4
Pearce (C. H.)	185	.....
Peel Mills	20	.....
Sheffield Brick	45	-1
Sheff. Refrshmt.	62xd	.....
Sindall (Wm.)	103	.....

IRISH

Conv. 9% '80/82	£93	+¼
Alliance Gas	66	.....
Arnott	354	.....
Carroll (P.J.)	105	.....
Clondalkin	102	+2
Concrete Prods.	135	-5
Heiton (Hldgs.)	51	-1
Ins. Corp.	160	.....
Irish Ropes	130	.....
Jacob	67	.....
Sunbeam	33	-1
T.M.G.	215	-5
Unidare	95	.....

OPTIONS
3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Tube Invest.	30
A.P. Cement	18	"Imps"	6	Unilever	35
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	12	Inveresk	8	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	35	Ladbroke	17	**Property**	
Boots Drug	15	Legal & Gen.	14	Brit. Land	3½
Bowaters	16	Lex Service	7	Cap. Counties	4½
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	6	"Lofs"	4	Intreuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	16
Burton 'A'	12	Lonrho	5	MEPC	12
Cadburys	5	Lucas Inds.	25	Peachey	8
Courtaulds	10	Lyons (J.)	10	Samuel Props.	9
Debenhams	8	"Mams"	7	Town & City	1¼
Distillers	15	Mrks. & Spncr	10	**Oils**	
Dunlop	7	Midland Bank	25	Brit. Petroleum	45
Eagle Star	11	N.E.I.	12	Burmah Oil	5
E.M.I.	14	Nat. West Bank.	22	Charterhall	3
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P & O Dfd.	8	Ultramar	20
Glaxo	40	Plessey	8	**Mines**	
Grand Met.	9	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	20	Rank Org. 'A'	18	Cons. Gold	14
Guardian	18	Reed Intnl.	12	Rio T. Zinc	16
G.K.N.	22	Spillers	3		
Hawker Sidd.	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday August 5 1978

MAN OF THE WEEK

Taking a risk in Belfast

BY DAVID FREUD

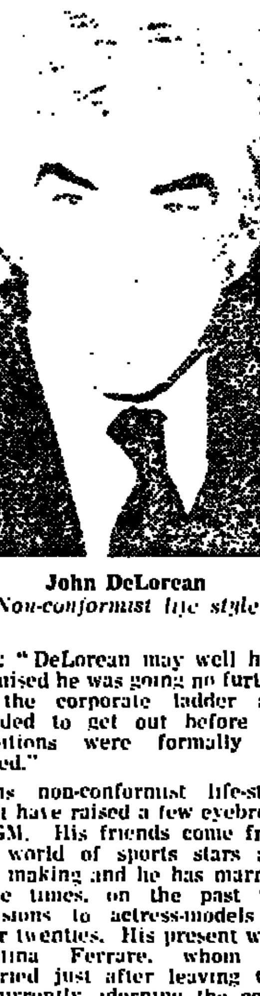
SIX YEARS AGO Mr. John DeLorean was promoted to take over the North American car and truck operations of General Motors, the biggest manufacturer in the world. He was 48 and his salary totalled $550,000 a year. Many people believed he was destined to become the company's president.

Then, barely seven months later, he resigned. He says now that the reason was to build his "dream car," a sports car that would combine social responsibility with speed and glamour. On Thursday he announced that that car, the DeLorean DMC-12, would be built in Belfast with the help of about £45m from the British Government.

In 1973 the reasons for his departure from GM seemed considerably less clear-cut. At the time he said he planned to become a Cadillac dealer somewhere and in fact he wound up as a consultant for two years advising such clients as Sears Roebuck and W. R. Grace.

While his progress at GM had been rapid he had an individualistic approach both in life-style and in his attitude to cars that led to many frustrations in the company. Perhaps the defeat that rankled most occurred in 1970 when he was overruled in his battle to launch a range of small cars.

Fortune, the U.S. business magazine, said after his resigna-



John DeLorean
Non-conformist life style

tion: "DeLorean may well have surmised he was going no further up the corporate ladder and decided to get out before his ambitions were formally rebuffed."

His non-conformist life-style must have raised a few eyebrows at GM. His friends come from the world of sports stars and film making and he has married three times, on the past two occasions to actress-models in their twenties. His present wife, Cristina Ferrare, whom he married just after leaving GM, is currently adorning the cover of Harpers magazine. He says she is the most beautiful woman in the world. "This is my first marriage," he explains, "the other two were just mistakes."

He is not the kind of man to pretend that launching a new U.S. sports car is a straightforward business operation. The last U.S. sports car was launched 25 years ago, the Corvette. And the last person to launch a successful U.S. car company was Walter Chrysler, in 1934.

The prospectus filed with the Securities and Exchange Commission stated: "Only investors who can afford a total loss of the minimum investment of $25,000 should apply." On Thursday in Belfast the message was a little more hopeful. "I probably have a blurred view of its potential, but reports that this is a high-risk venture are exaggerated," he said

Whatever the risk, there is no doubt that if a new specialist sports car can be launched on the U.S. market then Mr. DeLorean is as well placed to succeed as anyone. He has wide experience in the U.S. motor industry, having worked for Chrysler and Packard as well as GM, which he joined in 1956. His background is engineering—he has an MA in the subject—although he is also experienced in marketing, and earned another MA in business administration at nightschool.

The new car has so far cost $14m to develop. It was designed in Italy and applies aerospace technology in its stainless steel on plastic construction. Mr. DeLorean has put $4m of his own into the project. "It may not be a lot but it happens to be just about all I possess."

Outwardly he seems little concerned at the obvious risks attached to manufacturing in Northern Ireland. "A certain amount of sectarianism and violence is part of our lives. There are terrorists wherever you look in the world nowadays and it doesn't seem to be worse in Northern Ireland than anywhere else."

Post Office accepts McCarthy proposals

BY NICK GARNETT AND JOHN LLOYD

THE POST OFFICE yesterday accepted "as a basis for settlement" the McCarthy recommendations for solving the postal engineers' dispute which is seriously disrupting some of the country's business operations.

The recommendations, which involve a reduction in two stages in the engineers' working week from 40 to 37½ hours in return for increased flexibility are now being studied by the Post Office Engineering Union.

Some of the conditions attached to the reduction in working hours, however, are almost certain to provoke considerable opposition from sections of the engineers.

Inconvenience

Sir William Barlow, the Post Office chairman, has written to Mr. Brian Stanley, the union's general secretary, pleading with him to call off the 10-month dispute.

Sir William said yesterday that the dispute was causing "immense damage" to businesses and "personal inconvenience" to the public.

At the same time, some business operations were further disrupted yesterday when 160 engineers at international switching centres in London, which relay telephone calls abroad, were sent home for imposing sanctions.

About 2,600 telephone engineers in parts of North London stopped work after a colleague was sent home for carrying out sanctions and almost all the capital's postal engineers followed suit.

The Continental Illinois Bank, whose new premises have been blacked by the union said the dispute had cost it at least £60,000.

The recommendations are based on reducing the engineers' working week at no cost to the Post Office, and are therefore within Government pay policy.

To cover the cost of the first stage and part of the second stage of the reduction, the report of Lord McCarthy, the industrial relations expert brought in by the Government to study the dispute, recommends more flexible working.

This would include staggered starts and finishes to the working day, a four-day week for some engineers and more flexible working around meal and rest breaks.

The union, however, which is claiming a 35-hour week, is likely to be further worried about a "clawback" provision within the recommendations.

This would offset any costs for the Post Office, above the nil target, which accrued from the scheme against payments made to the engineers under existing productivity arrangements.

Rotas

Costs involved in the second stage of the reduction not covered by increased flexibility would be met by new productivity arrangements linked to changed rotas and the working of new equipment.

Foreign exchanges and currency deposit brokers have already warned that the dispute could have serious long-term effects on London's position within currency exchange markets.

Overtime dispute may cut Sunday Times print run

BY PHILIP BASSETT, LABOUR STAFF

THE SUNDAY TIMES could lose at least 20 per cent of its print tomorrow if members of the Society of Graphical and Allied Trades in the publishing room take their proposed disruptive action concerning overtime rates.

The Newspaper Publishers' Association said yesterday that the dispute, which involves about 400 workers including van drivers and guards as well as publishing room employees who are pressing a claim for new Saturday night shift and overtime rates, was likely to mean the loss of at least 300,000 copies from a print run of more than 1.5m.

An agreement reached on July 21 between the union's chapel (office branch) and the management, with the association acting as mediator, provided a formula for dealing with disputes pending in-house discussions to cover the period leading up to a full settlement.

For two weeks, the chapel would run a system of working two hours for payment of three hours' overtime to allow an agreement to be concluded.

New rate claim

If agreement was not reached, then the chapel would work two hours for two hours' overtime pay. The first period was due to run out this weekend, and the association said yesterday that the chapel, backed by the London central branch of the union, had decided not to comply with the formula, but to take disruptive action to-night. The action will include refusing to work normal overtime.

Saturday night shift rates for members of the society in the publishing room, who receive and sort the papers from the presses, tie and label them and send them off, range from £35.44 for a 64-page paper to £37.64 for a 72-page paper. The chapel has been claiming a new rate of £45.

Mr. Bill Keyes, general secretary of the society, has written to the union's London central branch pointing out that joint agreements, particularly those dealing with disputes, should be honoured. The association said yesterday that it hoped branch and chapel officials would reconsider their positions.

More than 500,000 copies of the Sunday Times were lost last month because of action taken by the publishing room chapel. The dispute underlines the letter sent to all Times Newspaper employees by Mr. M. J. Hussey, chief executive, which said that publication would be suspended if disputes continued and agreement aimed at protecting the future of the company and its staff was not reached.

Hull hit by Ross factory closure

By David Churchill, Consumer Affairs Correspondent

A FURTHER sharp blow to the fishing industry in Hull came yesterday when Ross Foods, the Imperial Group subsidiary, announced the closure if its main fish processing factory in Hull.

The closure means the loss of 320 jobs in an area where the decline in the UK fishing industry has already had severe effects. Unemployment in the Hull area is running at 10.2 per cent, compared with the national adult average of 5.7 per cent.

All Ross Food's fish processing will now be carried out at Grimsby, with the remaining Hull factory concentrating on meat-based products.

Ross Food's decision was criticised last night by Mr. John Silkin, Agriculture Minister, who described it as a "drastic step." Mr. Silkin was annoyed that the company had taken the decision without consulting him or Ministry officials. He hoped that the statutory consultations with the unions would help alleviate the effects of the closure.

Herring catch

The reason given by the company for the closure was the substantial reduction in the amount of herring landed in the UK after the Government's virtual ban on herring fishing off West Scotland.

Ross Foods said yesterday that a rise in the costs of imported herring made its Hull processing plant uneconomic. The Scottish herring fishing ban had been urged on the Government by marine biologists, fishermen, and herring buyers in order to replenish fish stocks. The move was taken unilaterally by Britain because agreement could not be reached with other EEC countries on the ban.

The General and Municipal Workers Union in Hull, to which most of the workers belong, said last night that an action committee was being set up to fight the closure. About 30 workers are likely to be offered alternative jobs with the company.

MOVE TO RESTRUCTURE SPAIN'S MOTOR INDUSTRY

SEAT may merge with Fiat

BY ROBERT GRAHAM

MADRID, August 4.

DISCUSSIONS have begun on how to link SEAT, Spain's biggest car producer, more closely with Fiat, which already holds a 36 per cent stake in the company.

Fiat has undertaken to provide by September detailed proposals centred on either complete integration of SEAT into Fiat or a substantial increase in its existing equity via purchase of the 34.6 per cent held by Spain's state holding company, INI.

These discussions are part of a more general move since the appointment of Sr. Jose Miguel de la Rica three months ago as president of INI to rationalise the structure of the automotive sector.

Talks have also been initiated with Daimler-Benz on closer links with the light vehicle producer Mervosa, and with Berliet-Saviem, Iveco and Chrysler on closer integration with ENASA, the leading Spanish medium and heavy vehicle producer.

These matters are liable to provoke a major controversy here among the Socialist, and Communist parties because they represent a move towards "private" multi-nationals, but according to Sr. de la Rica this is the sole means of ensuring the long-term health of the Spanish automotive sector and of guaranteeing jobs.

Losses

SEAT is Spain's largest industrial employer, with 32,000 on its payroll and some 250,000 families directly or indirectly dependent upon it. Until now the Spanish government has always insisted, for nationalistic and strategic reasons, on Spanish control of SEAT.

In recent weeks both Sig. Giovanni Agnelli, Fiat president, and Sig. Nicola Tuffarelli head of Fiat's automotive division, have held talks with Sr. de la Rica and SEAT executives.

Fiat, long conscious of the unsatisfactory nature of its SEAT stake and the continual problems of competition for third-country exports, has shown a keen interest in the idea of closer integration. Ten days ago Sr. Tuffarelli wrote to Sr. de la Rica undertaking to draft proposals for discussion in September.

SEAT, with a turnover last year of Pts 83bn (£565m), has seen its market share halved to 30 per cent inside six years, and this year faces losses of over Pts 2bn (£14m) through depressed demand and a switch in customer preference away from its increasingly unattractive models.

It is entirely dependent upon Fiat for its technology and on agreements with the latter for exports, which account for 40 per cent of the 353,000 total SEAT production.

With the prospect of Spanish entry into the EEC and the lowering of high protectionist tariffs which have until now cushioned SEAT, motor industry sources say the company has only two options in its present losing battle against competition from the other producers in Spain—Chrysler, Renault, Citroen and Ford.

Either the Spanish Government takes over SEAT and it provides its own technology and finds its own markets, or Fiat integrates the operation, cutting drastically the number of models already produced.

The first option is considered commercially unrealistic, leaving the second as the only viable direction in which to proceed, even though it means forgoing any form of Spanish control of the automotive sector, the single most important area of industrial activity in Spain.

Paul Betts reports from Rome: While Fiat is interested in increasing its participation in SEAT and acquiring a controlling interest, it said in Turin that a deal hinged not only on financial aspects but especially on important political decisions on the part of the Spanish authorities.

The Turin group is in particular, waiting to see whether Spain will modify legislation now preventing foreign groups from holding more than a 50 per cent stake in a Spanish company.

"Clearly we would not be interested in merely increasing our stake in SEAT from about 36 per cent to 49 per cent," Fiat said.

Accounts standard plea to Healey

BY JOHN LLOYD

NATIONALISED INDUSTRY chairmen have written to Mr. Denis Healey, the Chancellor, protesting at the lack of adequate guidelines on accountancy procedure in the public sector.

The chairmen are angry that they have had to bear the brunt of criticism over the supplementary depreciation provisions a number of the industries have made for the first time in their accounts for the past financial year.

The accounts, published in the past few weeks, reveal a wide variety of accounting practice, and many of the net profit figures are calculated on a different basis from previous years.

The chairmen say the procedures should not be criticised on these grounds while they wait for an agreed standard for inflation accounting in the public sector. They are thought to feel that the accounting profession has been too slow in producing an acceptable formula.

The Price Code of 1976 suggested that companies should enhance their depreciation by 40 per cent as an interim measure. The Government White Paper on Nationalised Industries, published in March, says that inflation accounting will be introduced when a standard is agreed.

Earlier this week, Mr. Douglas Morpeth, chairman of the Inflation Accounting Steering Group, which has the task of producing a formula, said that the group would deal with the special problems of the nationalised industries. Mr. Morpeth's proposals are due to be published next spring.

The nationalised industries' ways of dealing with inflation accounting ranges from that of the Post Office, which has made provisions for supplementary depreciation to compensate for inflation for over 30 years, to the National Coal Board, which rejects any move towards supplementary depreciation.

Meanwhile, the Post Office is discussing with Touche Ross and Coopers and Lybrand, its accountants, how it can become exempt from the reservation the accountants make on one part of its procedure.

This concerns introducing fixed asset accounting procedures to quantify the assets of more than £6bn owned by the Post Office, most of them in the telecommunications business.

According to the accountants, only £2.5bn worth of assets are adequately described, leaving £3.9bn worth inadequately accounted for.

The issue between the two sides is on the need for asset registers. The accountants insist that such registers are needed if their reservation is to be dropped.

The Post Office believes that a suitable system can be agreed so that the assets are progressively accounted for in a satisfactory manner over the next five years.

Continued from Page 1

Thorpe accused

on winning back voters lost to Mr. Thorpe's party in 1974.

Inded, yesterday's events will do nothing to reduce the Tories' hopes of securing the 6 per cent swing needed to capture North Devon which Mr. Thorpe held with a sharply reduced majority of 6,721 in October 1974.

Liberal strategists are also worried about a possible overspill into its two other West Country strongholds of North Cornwall, held by Mr. John Pardoe with a majority of 3,8856, and Truro, won at the last election by Mr. David Penhaligon by just 464 votes.

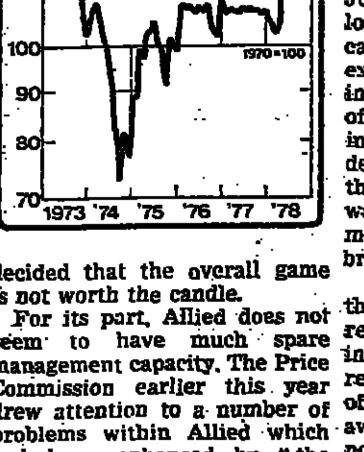
Mr. Thorpe, who gained his seat from the Conservatives in 1959, was elected Liberal leader in 1967. Under him the party fought two highly successful General Elections in 1974, when it won almost a fifth of the popular vote.

On May 10, 1976, Mr. Thorpe resigned as leader of the party, speaking of "a campaign of denigration which has endured for over three months," and a "sustained witch-hunt by sections of the Press."

THE LEX COLUMN

What Allied will have to brew

Index fell 2.7 to 497.2



In a couple of years' time, Allied Breweries' bid for J. Lyons could look like a very smart move. But it raises a number of major questions for the immediate future, and the City's snap reaction was an almost universal thumbs down. Allied's shares, which had been buoyed up earlier in the week by the sale of the Trust Houses Forte investment, fell a full 8p to 84½p yesterday.

The case for the bid, which is to be made entirely in shares, is that in return for a modest increase in its equity (14 per cent), Allied gets a very wide spread of new interests including a number of strong brand names in the food manufacturing industry. The bid stands to have little immediate impact on Allied's earnings per share, which could work out at a little over 8p fully taxed in the year ending next month. But the trend in Lyons' profits does at last appear to be improving. Allied will be able to refinance Lyons' highly stretched balance sheet, and could perhaps also be a bit tougher with trade creditors. So there is at least the possibility of a significant increase in Lyons' minuscule profit margins—last year, sales of £780m produced profits of just £6.2m before tax and minorities.

The bid values Lyons at £64m, which is not much higher than its tangible net worth after stripping out goodwill of no less than £69m. What makes such a price possible is, of course, the mountain of borrowings which Lyons will bring with it. But although Allied's borrowings as a proportion of its equity (adjusted for the Trust Houses sale) could rise from roughly 36 to 73 per cent after swallowing Lyons, that figure takes in Allied's pubs at what could be a significant undervaluation. And as well as its debt, Lyons also has tax losses of £17m.

So why is the City dubious? The answer is that Lyons is a complicated international business, with a number of fundamental problems in areas where Allied appears to have very little experience. In response to its financial pressures, Lyons has already sold off some of its best bits—notably the hotels, at knock-down prices—and it can have few hidden goodies left in its portfolio. A number of U.S. companies are believed to have been attracted by the Baskin-Robbins ice cream business, which is the jewel in Lyons' crown, but appear to have decided that the overall game is not worth the candle.

For its part, Allied does not seem to have much spare management capacity. The Price Commission earlier this year drew attention to a number of problems within Allied which had been enhanced by "the widely scattered nature of its operations," and the brewery division is currently engaged in a major reorganisation. It seems that Lyons is going to be run as a separate division within Allied, and one key question that has to be answered is how its management is going to perform better within Allied than it did as an independent.

Lyons' shareholders will almost certainly be happy to take the money and run, even though the bid is not worth much more than twice the two rights issues in the past six years. Lyons appeared to be on the recovery road, but the path to independent financial stability was still going to be long and rocky.

But Allied's shareholders will need more convincing. Their approval for the takeover is not necessary, since Allied already has sufficient unissued equity. But the bidder is plainly going to have to mount a major public relations exercise in order to achieve its objectives.

World markets

What a week it has been for the world's stock markets. Here in London the FT All-Share Index hit an all-time high and across the Atlantic the New York Stock Exchange's computer was so overworked that it rather embarrassingly broke down during its busiest day ever. After a recount Thursday's trading volume on the NYSE came out at 66.4m shares — more than three times the daily average this time last year. Elsewhere around the world most of the major stock markets are nudging new peaks.

Capital International's world index rose by 7 per cent during July, that might not sound a lot, but in terms of stock market capitalisation it adds up to an extra $100bn or so. The world index is now only 7 per cent off its all-time high — struck in early 1973. Of course, the decline in the dollar has inflated the rise. Even so the recent upward move in most world stock markets marks a significant break out.

The question is whether all this activity around the world reflects a fundamental change in sentiment or just a technical readjustment. There are plenty of special reasons to explain away individual moves, but it is not easy to find a common thread. As Wall Street is far and away the biggest stock market in the world it obviously has a very big influence on peripheral stock markets.

In its case, it seems as if the catalyst for its latest upward surge is the suggestion that U.S. interest rates have peaked out, or are very close to doing so. N. everyone agrees with this, since the U.S. inflation rate has been rising and this week's money supply figures showed that the Fed might still be tempted to tighten credit further. Meanwhile the sharp rise in the latest U.S. unemployment figures could indicate that the economy may be slowing down faster than expected.

Although the immediate prospects may not seem particularly encouraging for equities, the bull's argument is that equities have trailed far behind the rate of inflation and are basically undervalued. Since 1973, U.S. retail prices have risen by nearly 50 per cent and in the UK, they have more than doubled. At its peak the Hong Kong stock market was selling on 55 times earnings and Wall Street was selling on nearly 20 times earnings. Today the multiples are 14 and 9 respectively. But, of course, this case could have been made at any time over the past couple of years.

Weather

UK TODAY

BRIGHT intervals, showers.

London, E. Anglia, S.E. and Cent. S. England, Midlands

Sunny intervals, showers developing. Max. 22C (72F).

E., N.W., Cent. N., N.E. England, Lakes, I. of Man, S.W. Scotland, N. Ireland

Outbreaks of rain. Max. 17C (63F).

Channel Is., S.W. England, Wales

Cloudy. Scattered showers. Max. 18C (64F).

N., N.W. and E. Scotland

Mainly dry, rather cloudy. Max. 17C (63F).

Outlook: Cloudy with some showers.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Amsdm.	C	16	61	Luxemb'g	C	17	63
Athens	S	27	81	Madrid	S	31	88
Bahrain	S	37	99	Manchestr.	C	15	59
Barcelona	S	26	79	Melbourne	S	13	54
Beirut	S	28	82	Milan	S	26	79
Belfast	C	14	57	Montreal	S	17	63
Belgrade	C	29	84	Moscow	S	27	81
Berlin	F	23	73	Munich	F	20	68
Brmchm.	C	17	63	Newcastle	C	16	61
Bristol	F	19	66	New York	C	25	77
Brussels	C	18	64	Oslo	F	18	64
Budapest	S	28	82	Paris	C	18	64
B. Aires	C	17	63	Perth	R	17	63
Cairo	S	34	93	Prague	C	24	75
Cardiff	C	17	63	Reykjavik	C	11	52
Chicago	S	21	70	Rio de J'o	S	29	84
Cologne	C	20	68	Rome	S	32	90
Copnhagn.	R	16	61	Singapore	S	31	88
Dublin	C	16	61	Stockholm	T	22	72
Edinburgh	C	17	63	Strasbrg.	C	23	73
Frankfurt	C	22	71	Sydney	S	16	61
Geneva	F	24	75	Tel Aviv	S	28	82
Glasgow	D	14	57	Tokyo	C	30	86
Helsinki	C	20	68	Toronto	C	19	66
H. Kong	C	35	95	Vienna	C	28	82
Jo'burg	S	18	64	Warsaw	F	26	79
Lisbon	S	23	73	Zurich	C	20	68
London	C	19	66				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	27	81	Istanbul	S	23	73
Algiers	S	35	95	Jersey	S	17	63
Biarritz	C	21	70	Las Plms.	S	24	75
Blackpool	C	14	57	Locarno	S	26	79
Bordeaux	F	21	70	Majorca	S	31	88
Boulogne	F	16	61	Malaga	S	29	84
Casablnca.	F	23	73	Malta	S	34	93
Cape Town	C	16	61	Nairobi	C	19	66
Corfu	S	31	88	Naples	C	31	88
Dubrovnik	C	26	79	Nice	S	27	81
Faro	S	23	73	Oporto	F	18	64
Florence	S	29	84	Rhodes	S	29	84
Funchal	S	23	73	Salzburg	R	18	64
Gibraltar	S	30	86	Tangier	S	20	68
Guernsey	F	16	61	Tunis	S	33	91
Innsbruck	R	20	68	Valencia	S	28	82
Inverness	C	16	61	Venice	C	21	70
Isle of Man	C	14	57				

S—Sunny. F—Fair. C—Cloudy. R—Rain. D—Drizzle. T—Thunder.

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